

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

** R

London, Tuesday, April 27, 1999

No. 36,126

Asia Calm Although Turmoil Lingers On

Amid Region's Recovery And Conflict in Kosovo, Push for Change Wanes

By David E. Sanger
New York Times Service

WASHINGTON — When the finance ministers and other officials of the world's biggest economic powers last met in Washington six months ago, President Bill Clinton declared that they were confronting "the biggest financial challenge facing the world in a half-century."

Now, as another such meeting gets under way, millions of people are still suffering, economies are still shrinking, but the crisis seems oddly abated.

The crisis preoccupying Mr. Clinton and other leaders is in Kosovo, not the market. Fear of new forms of "economic contagion" has been replaced with far older fears of military contagion. Asia's slow recovery has moved it off the political radar screen.

Without that sense of urgency, the chances of remaking the "global financial architecture" through fundamental changes — the rallying call of financial meetings last autumn — have diminished considerably.

But there have been modest steps, including one Sunday by the executive board of the International Monetary Fund. As part of the lending agency's efforts to offer some way to prevent economic turbulence from spreading from country to country, it approved a program for contingency credit.

The program will allow the IMF to offer substantial credit to any country determined to be following sound economic policies. The hope is that such support will preserve investor confidence by deterring speculators from attacking a nation's currency.

The U.S. Treasury Secretary, Robert Rubin, said that the IMF's action was a victory for Mr. Clinton's financial stability agenda and that the program would provide "an expanded capacity to help maintain confidence when countries face the threat of financial contagion."

An unresolved problem with the program is that the standard — sound economic policies — is likely to be hard for the most vulnerable nations to meet, while many eligible countries are less likely to be hit by contagion.

As the leaders of the IMF and the World Bank, in Washington for their spring meetings, start occupying the hotel rooms just abandoned by NATO leaders who were here for the alliance's 50th anniversary, some officials insist that the biggest worry once again is the absence of fear itself.

"There is a real danger, which I sense already, that the pressure to reform is weakening around the world," said James Wolfensohn, president of the World Bank. "There were a lot of powerful and wealthy interests who opposed reform, and they have been able to reassert themselves."

Mr. Clinton warned last week against the dangers of "complacency," endorsing an agenda of reforms spelled out the next day by Mr. Rubin.

But those proposals turned out to be modest at best: more disclosure rules to

See ASIA, Page 10

The Dollar			
New York	Monday @ 4 P.M.	previous close	
Euro	1.0585	1.0615	
Pound	1.612	1.6157	
Yen	119.27	119.38	
DM	1.9478	1.9426	
FF	6.1971	6.1799	
Dollars per pound and per euro			
The Dow			
Monday close	previous change		
+28.92	10,719.59	+0.27%	
S&P 500			
+3.19	1,360.04	+0.24%	
Nasdaq			
+61.44	2,652.13	+2.37%	

Newstand Prices			
Bahrain	1,000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12500 Naira
Denmark	17 DKr	Oman	1,250 QR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £1.10
Great Britain	£1.00	Saudi Arabia	10 SR
Egypt	EE 5.50	U.A.E.	10.00 Dh
Jordan	1,250 JD	US M. (Excl.)	\$ 1.20
Kenya	K Sh. 180	Zimbabwe	Zm \$40.00
Kuwait	700 Fils		



Dutch riot police arresting a soccer fan in Rotterdam. The police fired live bullets at fans for the first time.

A New Dimension in Soccer Violence

Dutch Police Open Fire After Being Cornered by Hooligans

Compiled by Our Staff From Dispatches

ROTTERDAM — An ugly new chapter in the already bloody history of soccer violence in Europe started over the weekend when police in the Netherlands fired live ammunition at a group of soccer hooligans.

Police said Monday that they were investigating reports that rioters may have used guns during the clashes, which marked the first time police had fired live bullets at rioters in the Netherlands. Police arrested 80 people Sunday, and at least 16 people were injured, including four police officers.

"The world has been turned on its head when police have to draw their guns like this," Interior Minister Bram Peper said Monday on Dutch television.

European soccer has long been marred by violent incidents. The worst disasters have happened in or near stadiums. In 1985, at Heysel Stadium in Brussels, 39 soccer fans were crushed or trampled to death as they attempted to flee English hooligans at a match between Liverpool and Juventus of Turin.

In April 1989, 95 people were killed at Hillsborough Stadium in Sheffield, England, after hooligans started a panic and fans were crushed against barriers designed to keep them off the field and away from one another.

Since the Hillsborough tragedy, violence inside stadiums has been all but eliminated by police efforts to keep troublemakers out and keep a close watch — often by remote cameras —

on those who get in. But the violence has continued. Several French cities suffered from rioting by English and German fans before and after World Cup games last summer. In the worst case, Daniel Nivel, a 44-year-old French policeman, was beaten into a coma by German hooligans in Lens.

On Sunday, as about 250,000 mostly peaceful fans celebrated in Rotterdam after their team, Feyenoord, clinched the league championship, a small but violent group on the fringes attacked police with rocks and bottles and then cornered a small group of police. The officers fired warning shots into the air and then at the crowd.

Police bullets injured four people.

See HOOLIGANS, Page 4

Profitless Investors Pulling Out of China

By Philip Segal
International Herald Tribune

HONG KONG — While the barriers to doing business in China are widely known in business circles — vague regulations, unscrupulous officials and arbitrary corporate partners, for instance — a new look at foreign companies doing business there points to a more basic one: a lack of profits.

A study by the management consulting company A.T. Kearney indicates that foreign multinational companies, the investors with the know-how

and technology that China craves, may be deciding that there is no money in it and that they have had enough.

"After nearly two decades in which companies have made allowances for China's idiosyncrasies, foreign-invested enterprises can no longer tolerate low returns from their investments in China," A.T. Kearney's chairman, Fred Steingraber, said Monday.

Just 40 percent of the companies surveyed said they were making a profit, and almost one-quarter of multinational companies have pulled out of at least one venture since entering China, according to the study. The study covered only 70 companies, but some business consultants said that the numbers rang true despite the small sample.

"Profit has become the mantra for many companies in China now," said Mitch Presnick, managing director in Beijing of AFPC Associates Inc., a consultancy that advises major multinationals on investing in China.

Now that some companies have failed to realize a single dollar of earnings after five years or more in the

See CHINA, Page 10



Putrajaya, planned as a grand metropolis for 330,000 people, a replacement for Kuala Lumpur as the capital, seemed like a good idea until the financial crisis hit Asia. Now the government is shy about it.

Malaysia Shy About Cost as a Grand New City Arises

By Thomas Fuller
International Herald Tribune

PUTRAJAYA, Malaysia — Quietly, or as quietly as hundreds of dump trucks, cranes and an army of construction workers can be, Malaysia is proceeding with one of Southeast Asia's biggest and most ambitious construction projects.

Next month, in a clearing where only rubber trees and oil palms once stood, the government will unveil the first phase of a city built entirely from the ground up, a new federal capital to replace Kuala Lumpur.

Thousands of foreign workers from Bangladesh and

Indonesia are helping build enough offices and houses to accommodate 330,000 people.

Prime Minister Mahathir bin Mohamad, whose official residence and office are nearly finished, will move to the city, which is 25 kilometers (15 miles) south of Kuala Lumpur, at the end of next month, according to the government-run company charged with building the new city.

The prime minister's office is a green-domed edifice that sits high on a bluff, with moats on three sides. Nearby is a giant mosque and dozens of half-finished government office buildings.

Yet, even as the prime minister prepares his move,

the new city is facing uncertainty. Many parts of the project are months behind schedule and plans for a railroad to Kuala Lumpur are stalled.

Diplomats who have been asked to transfer their embassies to Putrajaya say they are not planning to move any time soon, and may never actually move.

Opposition groups deride the project as Prime Minister Mahathir's personal palace and say the 5 billion ringgit (\$1.3 billion) expended on the first phase is wasteful, especially after the country's economy shrank by about 6 percent last year. The total estimated

See CAPITAL, Page 4

NATO Talks Buoy Kosovo Air Policy

U.S. Sees Accord at the Summit As Go-Ahead for Wider Attacks

By Joseph Fitchett
International Herald Tribune

WASHINGTON — The Clinton administration offered an upbeat assessment Monday of the NATO summit meeting.

It said that the alliance had agreed to intensify the air war against Yugoslav forces in Kosovo, tighten economic sanctions against Serbia and institutionalize NATO's growing role in European security, especially in the Balkans.

A senior U.S. official said that the alliance had been further steered about

field at Pristina, the Kosovo provincial capital, and tactical military targets.

Suggesting that NATO's unity has started to make an impression in Belgrade, other allied officials cited the first hints of dissent against the Milosevic regime.

They singled out remarks by a Yugoslav deputy prime minister, Vuk Draskovic, who said on the British network Sky TV that the Serbian people needed to realize that they were isolated in the Kosovo conflict.

"The obligation of all leaders in our

See KOSOVO, Page 4

Milosevic: Undaunted And Unbowed

By Michael Dobbs
Washington Post Service

BELGRADE — NATO warplanes reduced his home to a pile of rubble, put his television stations off the air and destroyed the headquarters of his ruling Socialist Party. But President Slobodan Milosevic carries on with what, to outside appearances at least, is his regular routine. He presides over cabinet meetings, meets with foreign dignitaries and issues orders for reconstructing his devastated country.

When NATO began its air campaign against Serb-led Yugoslavia a month ago, alliance officials expressed the hope that it would cause serious political strains within the Milosevic regime, perhaps even provoke a revolt by his senior military commanders. So far, these hopes have not been realized.

If anything, the man whom President Bill Clinton calls "Europe's last dictator" is more solidly entrenched in power now than he was when the bombs first began to rain down on his country, according to Yugoslav political analysts.

Associates depict Mr. Milosevic as a man of strong nerves, angry but unfazed by the bombing of his residence and determined to resist NATO "aggression" to the end, even if the alliance attempts to occupy Kosovo with a ground offensive. "Imagine your reaction if a criminal came and destroyed your home," said Foreign Minister Zivadin Jovanovic. All the same, he added, Mr. Milosevic "is conducting his business as president of the republic and commander in chief absolutely normally."

Asked how Mr. Milosevic reacted to the missile attack on his official residence in the exclusive Dedinje section of Belgrade, Mr. Jovanovic quoted him as saying, "It's terrible, but perhaps less terrible" than if NATO had attacked a populated civilian area.

Former associates say the Yugoslav president seems to thrive in situations in which he has his back against the wall. "He is stimulated by crises," said an official who has worked closely with

See MILOSEVIC, Page 4

AGENDA

Airbus's Small Jet Challenges Boeing

Airbus Industrie on Monday formally introduced its smallest aircraft yet, the A318. The jet, for which orders so far have been modest, is the European consortium's latest challenge to Boeing Co. in their competition for regional jetliners carrying about 100 passengers. Airbus is making a late entry into the regional market. Page 9.

U.S. Urges Accord In Middle East

WASHINGTON (AFP) — The United States urged Israel and the Palestinian Authority on Monday to reach a peace accord within a year and called for a Middle East summit meeting. May 4 is the deadline for concluding negotiations under the Oslo peace accords, and stalled talks have threatened to derail the process.

Books Page 7.
Crossword Page 8.
Opinion Pages 6-7.
Sports Pages 16-17.
The IHT on-line www.ihf.com

No. 36,128

ins

initial explanation started with this month a column of a road near then for the es had indeed ned only mil-ake publicly. o quickly that Javier Solana, afternoon, he ent, and said



by The Associated Press for refugees.

ps

olis of fabric. ovo Albanian order, a sport in ople in the past kers say, about th. More than tent cities, and outstripped the nt," said Paula ice of the UN

0

red

ss agency said Mr. use of his "public to the government ect of the federal

Serbian leadership defeat NATO and L i condition of an- visible fracture" in it "shows the price

Page 10

NDA

Stance and Libya

Clinton has eased policy to allow food s to be sold to Iran, an, officials said

resents a softening three countries the us long viewed as rorism and export- Page 10.

n U.S. Beef

Union said Wed- ould ban U.S. beef e 15 unless Wash- e meat had no hormones. Page 11.

Page 7.
Page 5.
Pages 6-7.
Pages 16-19.
www.ihf.com

ASIA/PACIFIC

On Pathway to Peace, Signposts of Civil War

Doubts Raised on East Timor's Survival

By Seth Mydans
New York Times Service

DILI, East Timor — With the energy of a football rally, a convoy of cheering enthusiasts with red- and white headbands wound through this tiny seaside capital of the territory of East Timor. Then, shouting, "Kill them, burn their houses!" they jumped from their trucks and started shooting and lobbing hand grenades.

On the other side of town a similar group smashed its way into a house sheltering scores of refugees, slashing at them with knives and cutlasses. Not far away, they vandalized the office of the territory's small newspaper, destroying equipment and scattering files as two workers cowered in a dark room.

At least 14 and as many as 30 people died in the rampage through Dili the weekend before last by militias that oppose independence for East Timor. Many more are believed to have been killed in recent weeks in remote villages, and thousands of people are reported to have fled into the hills for safety. The cause of the surge of violence: A peace agreement is at hand.

It is unclear whether this sad and battered territory can survive the endgame to its long separatist war. Many analysts fear that the prospect of settlement will only ignite an uglier, more intractable conflict.

In a sharp reversal, the Indonesian president, B.J. Habibie, announced in January that East Timor, annexed by Indonesia in 1976 after the withdrawal of its colonial ruler, Portugal, could select its own future after a generation of insurgent warfare. On Friday, the foreign ministers of Indonesia and Portugal announced that they had agreed on a plan to allow East Timor to choose between independence and an autonomous status within Indonesia.

The vote would be on whether to accept an autonomous arrangement under which Indonesia would control the territory's security and foreign relations. Mr. Habibie said that if autonomy was rejected, East Timor could simply cut itself loose from Indonesia.

Though the plan has not yet been

signed and its details have not been made public, it would mandate a vote, probably this summer, by the territory's 800,000 people. Many people here, and many political analysts in Jakarta, say, though, that this is a formula for civil war.

While many East Timorese have fought and died in a struggle for independence, many others have cast their lot with Indonesia and stand to lose in an independent state. While many years for statehood, others fear that East Timor — a tiny half-island territory closer to Australia than to Jakarta — could not stand on its own economically.

East Timorese are not ready to put these differences to a vote, the analysts say. Their wounds are too raw, their enemies too deep and their culture too violent after a generation of bitter warfare.

Neither side is prepared to accept the result if it goes against them.

"Whichever way it goes it will mean civil war," said Amiceto Guterres Lopes, director of the Hak Foundation, the local human rights organization, who spends nights in hiding. "And because this war will be among East Timorese, it will be harder to resolve than the war between East Timorese and Indonesians."

Indeed, it appears that the Indonesian military has already begun a process of Timorization of the war. The truckloads of men who terrorized Dili were some of the thousands of recruits who have joined ragtag military-backed militias since the start of the year. These groups, which support continued integration with Indonesia, are carrying on a war of intimidation from which the military has officially withdrawn.

The agreement reached at the United Nations gives the military responsibility for assuring that a referendum is free and fair, a prospect that for some people casts doubt on the sincerity of the Indonesian side.

"The Indonesian military has done a very good job of showing what kind of response there would be to the East Timorese people if they fight back, and that is a massive military response against civilians," said Dr. Dan Murphy, an American doctor who runs a small clinic in Dili.

Diplomats in Jakarta say the aim of



FULLY INVESTED — Salahuddin Abdul Aziz Shah, a former school inspector, and his consort, Siti Aishah, walking Monday in Kuala Lumpur after a rite opening his reign as king of Malaysia. Sultans from nine states take turns as head of state, a ceremonial position.

the military, despite official denials, seems to be to block the apparent momentum here for full independence by deterring or skewing the outcome of a referendum.

The militia campaign has raised questions about the military's commitment to Mr. Habibie's offer of self-determination. This offer sharpens a long-held fear by the government that independence for East Timor could inflame separatist insurgencies around the country, particularly in the provinces of Aceh and Irian Jaya.

The military is already overextended, analysts say, in trying to maintain sta-

bility and unity at a time when Indonesia is going through a dangerous transition from the dictatorship of former President Suharto, who resigned last May.

For the moment, the militias have the separatist rebels and their civilian supporters have gone underground. Their leader, Xanana Gusmao, who is under house arrest in Jakarta, responded to reports of killings by ordering his men to fight back, but he later rescinded the order.

But fears of a purge by these forces have caused a swelling exodus of many Indonesians who have migrated to East Timor over the years. Separatist guerrillas have also used brutal tactics against their enemies.

"If the pro-independence groups win, we will be the first to die," a pro-integration leader told the National Commission on Human Rights. Government services are provided largely by outsiders sent to East Timor from Jakarta, and they also are potential targets of separatists. Hundreds of teachers, medical workers, civil servants, and telephone and electricity workers are fleeing the territory, leaving its people increasingly bereft.

The long-running war has taken as many as 200,000 lives and left the atmosphere dulled and brutalized.

"The militia are mostly unemployed youngsters or school dropouts," said Aderito Hugo da Costa, a newspaper editor who is in hiding.

There was nothing subtle about the orders to thousands of new recruits before their rampage through the city. "As for today, I order all the pro-integration militia to conduct a cleansing of the traitors of integration — capture them and kill them," said the leader of the main militia group at an induction ceremony.

In an interview, the leader, Enrico

India Prepares For Unwanted New Elections

By Pamela Constable
Washington Post Service

PATNA, India — The caretaker government in New Delhi dissolved Parliament on Monday and called for new national elections "as early as possible," acknowledging that neither major political party has enough support to form a stable government and leaving this huge, impoverished democracy facing its third election in as many years.

After nearly two weeks of mounting political confusion, which included the forced resignation of Prime Minister Atal Bihari Vajpayee on April 17 and a desperate, unsuccessful scramble by opposition leaders to create a viable alternative, the dramatic announcement by Mr. Vajpayee's information minister came as something of a relief.

Although many Indians have dreaded the prospect of yet another disruptive and expensive election, analysts said it was the only way to resolve a messy political stalemate that had developed in Parliament, where Mr. Vajpayee was ousted by only one vote and neither his Bharatiya Janata Party nor its opponents led by the Congress (I) Party have been able to seize even a marginal advantage since.

No date has been set for the poll, but it could come as soon as May or as late as September, officials said. The electoral commission, which will be meeting over the next few days, is highly unlikely to schedule balloting during the monsoon season of July and August.

The decision by Mr. Vajpayee's cabinet was made after President K.R. Narayanan, a nonpartisan appointee, gave Congress almost a week to form a new government. But the Congress Party leader, Sonia Gandhi, unable to bring order to the chaotic opposition forces, reluctantly told Mr. Narayanan on Friday and again Sunday night that she did not have enough votes to do so.

Government aides were quick to blame Congress and its quarrelsome allies for bringing down Mr. Vajpayee's coalition after only 13 months in power and then failing to come up with a viable alternative. They said that they expect Mr. Vajpayee, 76, to lead them in the coming election campaign and that his candidacy will benefit from a wave of voter sympathy.

"Congress and the Communists are responsible for this," Pramod Mahajan, minister for information and broadcasting, said after making the announcement. "They have thrust upon the people of India a third election in the last three years, which they don't want. We are sure the people will give them a befitting reply" at the polls.

Congress leaders, in turn, blamed defecting allies in their ranks, especially the Samajwadi Party leader Mulayam Singh Yadav, for undermining what they called a responsible effort on their part to build a new government in days. They said Mrs. Gandhi, 53, will definitely be their candidate for prime minister. They stressed that Mr. Vajpayee's decline began not with an assault from Congress, but with the defection of one of his inner allies, Jayaprakash Narayan.

Some observers, moreover, said the fragility of Mr. Vajpayee's coalition made its collapse almost inevitable from the beginning. They said while a new election may not substantially alter the political equation, it might give voters a chance to register their widespread disenchantment with coalition politics and possibly decide to give Congress, long India's dominant party, a chance to rule again.

BRIEFLY

Appeal by Anwar Goes to High Court

KUALA LUMPUR — Lawyers for former Deputy Prime Minister Anwar Ibrahim filed a notice of appeal Monday against his conviction and sentence to six years in jail for corruption.

"A notice of appeal was filed at the High Court registrar," Sanjiv Nair, one of Mr. Anwar's lawyers, said. "The Court of Appeal will decide the date."

Mr. Sankara also confirmed that the five charges of sodomy and one of corruption that Mr. Anwar still faced would be mentioned Tuesday at the High Court before Justice Datuk Abdul Wahab Patil. The court was expected to fix dates for those charges to be heard. (AP)

15 Reported Injured In Kashmir Shelling

MUZAFFARABAD, Pakistan — Indian troops stormed into a Pakistani village and fired mortar shells across the border of Kashmir, wounding at least 15 civilians, Pakistani police said Monday.

The police said Indian soldiers, in a hit-and-run attack Sunday, had destroyed two homes in a village along the disputed border that divides Kashmir between Pakistan and India.

India denied it had attacked.

"There is no truth in the report," an Indian Army spokesman said. (AP)

Beijing Wrestles With Cult Protest

BEIJING — Chinese leaders grappled Monday with the challenge presented by a group that surprised the authorities and held the largest protest in Beijing since the crushing of pro-democracy demonstrations in Tiananmen Square 10 years ago.

Publicly, government leaders decided to act as if the protest Sunday by 10,000 members of the Falun Gong cult in the heart of Beijing had never happened.

They ordered official silence in government offices and news media on the protest, according to an official who had attended a meeting on the matter and spoke on condition of anonymity. The demonstrators were followers of a martial-arts master who teaches a form of meditation and exercise known as Falun Gong. Behind the scenes, Prime Minister Zhu Rongji intervened personally to try to defuse the protest, meeting with several representatives of the demonstrators, the government official said. (AP)

Philippine Rebels Reject Talks Offer

MANILA — Communist rebels rejected an offer Monday from President Joseph Estrada to resume peace negotiations after the guerrillas' release of the last of five military and police hostages.

Mr. Estrada said the government was willing to accept an offer by the Roman Catholic archbishop of Manila, Cardinal Jaime Sin, to hold the talks at his residence. (AP)

Australia Seeks Disarmament in Timor

By Michael Richardson
International Herald Tribune

SINGAPORE — Australia will press Indonesia on Tuesday to disarm rival factions in East Timor and free the East Timorese rebel leader Xanana Gusmao to help pacify the disputed territory before a vote organized by the United Nations is held on its future, probably in early August, officials said.

The Australian prime minister, John Howard, said Monday that he would emphasize in talks with the Indonesian president, B.J. Habibie, in Bali on Tuesday the interest Australia and the international community have in seeing "an orderly and peaceful resolution of the difficulties in East Timor."

He said that Australia had "an immense concern" about the bloodshed, loss of life and "the denial of human rights that's clearly occurred" in the former Portuguese colony, which was invaded by Indonesia in 1975 and annexed in 1976.

Shortly before flying to Bali on Monday to join Mr. Howard for the talks, the

Australian foreign minister, Alexander Downer, said in Singapore that Australia wanted to see Mr. Gusmao released from house arrest in Jakarta soon after May 5, when Indonesia and Portugal are scheduled to sign agreements with the United Nations on how the East Timor vote is to be organized and secured.

Mr. Downer said that he had held a lengthy meeting with Mr. Gusmao recently and found him to be a very moderate and reasonable person.

"I think he can be a stabilizing influence on the ground in East Timor," Mr. Downer said. "We would have liked him to have been released before. But in any case, given the sensitivities in Indonesia, after the 5th of May might be a very good occasion to release him."

Australian officials have made it clear that Canberra will seek to use its influence with the Indonesian government and military so that the UN-supervised vote on whether a majority of East Timorese want autonomy or independence can be held in reasonably free and fair conditions that will be acceptable to the international community.

But Mr. Howard said Monday that it was also in Australia's interests to maintain close and friendly relations with Indonesia, and that there were limits to how far Canberra could press for cooperation from Jakarta.

"It's important to understand what Australia can achieve," he said. "It's also important to understand that Timor is part of Indonesia and it's absolutely essential if progress is to be made that we engage the Indonesian government in a very positive and constructive way."

Mr. Howard indicated that Canberra had ruled out withholding aid or military cooperation — as some members of the opposition Labor Party and human rights groups have demanded — if Jakarta does not clamp down on violent East Timorese militia groups.

The militias want the territory to remain part of Indonesia and are blamed for killing dozens of independence supporters in recent weeks.

About 5,000 members of pro-integration militias pledged Monday to keep their link to Indonesia, Reuters reported from Gleno in East Timor.

TRAVEL UPDATE

Ground Staff Extends Strike in Nice

NICE (AP) — Air France ground staff in Nice voted unanimously Monday to extend a 12-day-old strike over job security for another 24 hours.

About 250 strikers disrupted road traffic Sunday to the terminal where passengers board planes bound for Paris. Union representatives and management met briefly Saturday but failed to make any progress. But Air France said it hoped to have 20 flights from Nice to Paris on Monday.

The strike protesting Air France's plan to contract some services to outside companies has disrupted flights to and from the French Riviera severely.

Belgium Warns on Indonesia Unrest

BRUSSELS (Reuters) — The Belgian government Monday warned people traveling to Indonesia that it fears tensions on the archipelago will get worse in the run-up to elections June 7.

A statement from the Foreign Affairs and External Trade and Development Cooperation ministries advised against travel in East Timor, the Moluccas, West Borneo and North Sumatra. But it said the situation was calm in the traditional tourist destinations of Bali and Lombok. It also said street crime had risen because of Indonesia's economic crisis.

Correction

An article about Nissan Motor Co. in the April 24-25 editions was accompanied by an erroneous photograph. It showed Georges Ghosn, a French editor, instead of Carlos Ghosn, the former top executive at Renault.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe

City	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amsterdam	100%	100%	100%	100%	100%	100%	100%	100%	100%
Antwerp	100%	100%	100%	100%	100%	100%	100%	100%	100%
Athens	100%	100%	100%	100%	100%	100%	100%	100%	100%
Berlin	100%	100%	100%	100%	100%	100%	100%	100%	100%
Bombay	100%	100%	100%	100%	100%	100%	100%	100%	100%
Buenos Aires	100%	100%	100%	100%	100%	100%	100%	100%	100%
Calcutta	100%	100%	100%	100%	100%	100%	100%	100%	100%
Chennai	100%	100%	100%	100%	100%	100%	100%	100%	100%
Dhaka	100%	100%	100%	100%	100%	100%	100%	100%	100%
Dubai	100%	100%	100%	100%	100%	100%	100%	100%	100%
Hong Kong	100%	100%	100%	100%	100%	100%	100%	100%	100%
London	100%	100%	100%	100%	100%	100%	100%	100%	100%
Los Angeles	100%	100%	100%	100%	100%	100%	100%	100%	100%
Manila	100%	100%	100%	100%	100%	100%	100%	100%	100%
Moscow	100%	100%	100%	100%	100%	100%	100%	100%	100%
Mumbai	100%	100%	100%	100%	100%	100%	100%	100%	100%
New Delhi	100%	100%	100%	100%	100%	100%	100%	100%	100%
Paris	100%	100%	100%	100%	100%	100%	100%	100%	100%
Seoul	100%	100%	100%	100%	100%	100%	100%	100%	100%
Singapore	100%	100%	100%	100%	100%	100%	100%	100%	100%
Taipei	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tokyo	100%	100%	100%	100%	100%	100%	100%	100%	100%
Yokohama	100%	100%	100%	100%	100%	100%	100%	100%	100%

North America

City	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Atlanta	100%	100%	100%	100%	100%	100%	100%	100%	100%
Boston	100%	100%	100%	100%	100%	100%	100%	100%	100%
Chicago	100%	100%	100%	100%	100%	100%	100%	100%	100%
Dallas	100%	100%	100%	100%	100%	100%	100%	100%	100%
Denver	100%	100%	100%	100%	100%	100%	100%	100%	100%
Detroit	100%	100%	100%	100%	100%	100%	100%	100%	100%
Houston	100%	100%	100%	100%	100%	100%	100%	100%	100%
Los Angeles	100%	100%	100%	100%	100%	100%	100%	100%	100%
Manila	100%	100%	100%	100%	100%	100%	100%	100%	100%
Moscow	100%	100%	100%	100%	100%	100%	100%	100%	100%
Mumbai	100%	100%	100%	100%	100%	100%	100%	100%	100%
New Delhi	100%	100%	100%	100%	100%	100%	100%	100%	100%
Paris	100%	100%	100%	100%	100%	100%	100%	100%	100%
Seoul	100%	100%	100%	100%	100%	100%	100%	100%	100%
Singapore	100%	100%	100%	100%	100%	100%	100%	100%	100%
Taipei	100%	100%	100%	100%	100%	100%	100%	100%	100%
Tokyo	100%	100%	100%	100%	100%	100%	100%	100%	100%
Yokohama	100%	100%	100%	100%	100%	100%	100%	100%	100%

Asia

Jersey	18/24	9/13 s	17/22	4/25 pc	San Francisco	14/17	9/16 s	14/17	8/16
Honolulu	27/30	19/26 s	29/32	21/70 s	Boston	12/23	-3/37 f	14/27	8/16
Houston	30/35	19/26 s	31/36	21/70 pc	Toronto	13/25	9/16 s	17/22	8/16
Los Angeles	19/25	13/25 pc	21/73	10/50 pc	Vancouver	7/14	-2/22 s	9/16	2/3
Miami	31/33	23/73 ps	32/39	23/73 f	Washington	19/25	-5/14 s	17/22	8/16

Legend: s=sunny, pc=partly cloudy, c=cloudy, sh=showers, t=thunderstorms, f=fog, sf=snow (faint)

THE AMERICAS

Venezuela on Uncertain Course to New Constitution

By Larry Rohter
New York Times Service

CARACAS — Venezuelans have overwhelmingly approved a government-backed proposal to convene a national assembly to write a new constitution. The decision signals the disintegration of the political system that has been in place here for more than 40 years.

Less than half of 11 million eligible voters apparently took part in the referendum, called by President Hugo Chavez as part of his plan to install what he calls "a true participatory democracy."

That immediately led opposition leaders to question the legitimacy of the official results, in which more than 85 percent of those who cast ballots favored a new constitution on the president's terms.

Nevertheless, the outcome of the vote on

Sunday, combined with the approval Thursday of a special "enabling" law that allows Mr. Chavez, 44, a former army paratrooper, to rule by decree on economic matters, significantly strengthens the position of Venezuela's newly elected leader.

His supporters said that was exactly what this country, which has become the principal supplier of oil to the United States in recent years, requires.

"We need to untie the hands of our president and give him the powers he needs so that he can really govern and make the changes Venezuela needs," Pura Duenas, 47, a nurse, said as she waited to vote Sunday morning. "He can't do that in this fake democracy we have, in which a bunch of corrupt politicians use a flawed constitution to hold him in check."

But opponents of the proposal have expressed concern at Mr. Chavez's behavior

since he took office in February, seven years after leading a violent but unsuccessful coup attempt.

That conduct has included making threats to declare a state of emergency that would give him enhanced powers, expanding the military's role and announcing that he intends to seek a second consecutive five-year term of office, something the current charter prohibits.

The president is right in wanting to correct the many shortcomings in our institutions," said Luz Marina Rondon, 42, an engineer, "but no single person should be given absolute power. We need gradual change, not a radical change, and it needs to be carried out within the existing system so that the economy and stability of the country are not damaged."

Because the attributes and powers of the constitutional assembly have not been clearly detailed, political turbulence seems likely to increase, not diminish, as a result of the vote

Sunday. Last month, for example, the Supreme Court ruled that the assembly will not have the power to dissolve Congress or the court system, as Mr. Chavez had proposed. He has given strong indications, though, that he intends to defy the ruling, which he dismissed last week as meaningless.

"It would be the same as me decreeing that the sun will not rise in the morning," he said.

Under the procedures approved Sunday, the constitutional assembly will consist of 131 members to be chosen in a special election, likely to be held late next month, in which candidates apparently will not be allowed to run under party banners.

Counting from the day it is sworn in, which Mr. Chavez suggests should be July 5, Venezuela's Independence Day, the panel will have six months to draw up a new charter, which will then be put to a popular vote.



President Hugo Chavez urged Venezuelans to vote, but the turnout appeared to have been less than 50 percent.

POLITICAL NOTES

Gore Sees Chance to Fix Social Security This Year

WASHINGTON — Vice President Al Gore said he believed Congress and the Clinton administration could still agree on Social Security reforms this year, despite a prediction by the Senate majority leader, Trent Lott, that it is not going to happen.

"I believe Social Security reform absolutely can be done this year — if Republican leaders make a clear decision to put Social Security first," Mr. Gore said in a speech to the Communications Workers of America. "I urge the Republican leadership to send out mixed signals, but one clear signal: that they will work across party lines, in good faith, until America's retirement program is strong for our future."

Mr. Lott said Sunday that the White House has failed to get serious about Social Security, preventing Congress from acting on reform this year.

Cigarettes and Minors: Court to Weigh Limits

WASHINGTON — The Supreme Court agreed Monday to decide whether the Food and Drug Administration can crack down on cigarette sales to minors.

The court will hear a Clinton administration appeal that argues the agency's decision in 1996 to start regulating tobacco as a drug was justified by new evidence that the tobacco industry intended its products to feed consumers' nicotine habits.

"Unless this court grants review, an unparalleled opportunity to curb tobacco use by children" will be lost, the appeal said.

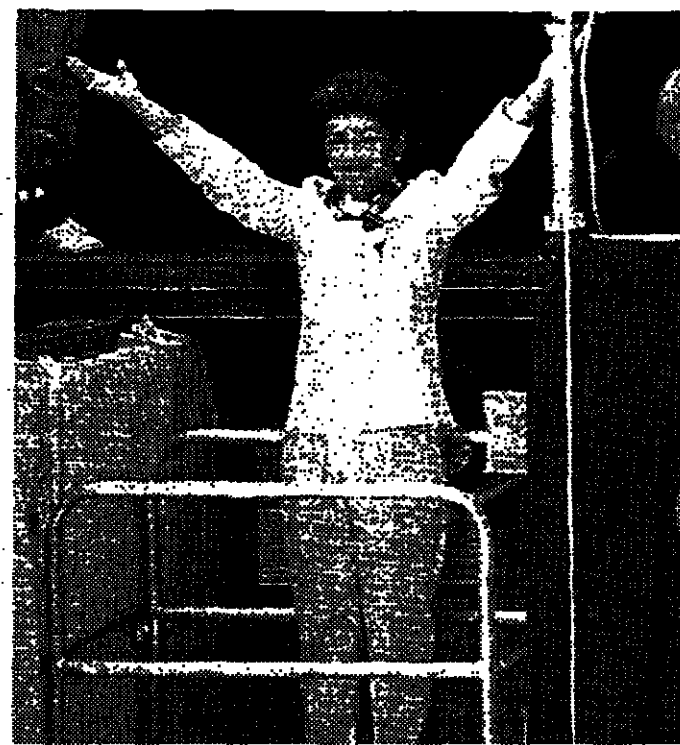
A federal appeals court ruled that Congress, not the food and drug agency, has the authority to make the "major policy decision" of how to regulate cigarettes and chewing tobacco. The effect of the lower court's ruling was to leave no role for the agency in regulating tobacco products.

Tobacco industry representatives did not immediately comment on the court action. Industry officials have argued that regulation of tobacco by the agency would force a ban, or short of that, would allow the agency to control the contents of cigarettes and set other limits.

(AP)

Quote/Unquote

A top adviser to Vice President Al Gore, discussing the impact of the war in Kosovo on the upcoming presidential campaign: "It is becoming more of a reality that we will be campaigning through the primaries with troops fighting door-to-door in Kosovo. The preface to every campaign stop will be Kosovo."



HEIRS — Mireya Moscoso, widow of Arnulfo Arias, a three-time Panamanian president ousted by General Omar Torrijos, she is running for the office against Martin Torrijos, the general's son.

School Killers Planned Even Deadlier Rampage

The Associated Press

LITTLETON, Colorado — The two students who killed 13 people at Columbine High School wanted to kill at least 500 classmates and teachers, attack neighborhood homes and then hijack a plane and crash it into New York City, investigators said.

They also said they planned to question an 18-year-old girl about whether she had bought any of the weapons Dylan Klebold and Eric Harris used in the rampage.

Sheriff John Stone of Jefferson County said the goal of the killers was "a big kill," leading them to strike during the busy lunch hour at the school.

In an interview published Monday in The Denver Post, Mr. Stone said further that the gunmen's diary indicated that if they survived, they planned to "hijack an airplane and crash it into a major city."

He said New York was their target. "Once they burned the school down, then they were just going to start ravaging the neighborhood, killing as many people as they could," Mr. Stone said.

He said the diary, found in the bedroom of one of the two teenagers, plotted the attack in precise detail.

Investigators, amazed at the sheer firepower of the incident last Tuesday, are trying to determine whether others were involved.

A district attorney, Dave Thomas, confirmed that a woman described as Mr. Klebold's girlfriend was to be brought in for questioning Monday.

"We believe more than three were certainly aware of it," Mr. Thomas said. "Whether more than three were involved in it, that's really the essence of our investigation at this point."

Memorial Service for the Slain

Paul Duggan and Tom Kenworthy of The Washington Post reported earlier:

Amid grief so profound that winter seemed to have settled here permanently, Colorado residents by the tens of thousands gathered in a cold rain to mourn the dead of Columbine High School: a dozen students and a teacher murdered by a pair of teenagers in an unfathomable rage.

As police and federal agents paused to honor the dead, a shopping-center parking lot one mile (1.6 kilometers) from the school became a site Sunday afternoon for remembrance and introspec-

tion, for song and poetry, for a step toward healing.

"Parents, we can stop the violence and hate," Vice President Al Gore said, speaking to more than 60,000 people from the entrance plaza of a 12-screen movie theater. "In a culture rife with violence, where too many people place too little value on human life, we can rise up and we can say, 'No more!'"

"All of us must change our lives to honor these children," he said.

In a gathering that recalled a service four years ago for the Oklahoma City bombing that killed 168 people, the vice president was joined by retired General Colin Powell and Governor Bill Owens of Colorado in calling on Americans to let the devastation wrought by the teenage shooters inspire change nationwide.

The mourners began arriving in a raw drizzle just after dawn. Walking 10 and 12 abreast, framed by the snow-dusted foothills in the distance, they formed a procession that by noon stretched for a mile along West Bowles Avenue. They walked past dozens of white buckets filled with lilies, daisies, roses and snapdragons for the taking and volunteers who handed out balloons and ribbons in the blue and silver colors of Columbine High.

By 1 P.M., the sprawling parking lot of the Bowles Crossing Shopping Center was a sea of drawn faces under umbrellas thrust against the slanting rain.

There were elderly couples and young parents pushing strollers, bearded men in biker jackets and crew-cut soldiers in uniform, a blind woman tapping her cane and a barefoot man in a burlap poncho. And everywhere there were teenagers, huddled in groups in their school jackets.

Three generations of mothers sat in lawn chairs holding hands.

Ronnie Smith stood alone, clutching three white carnations. "This is our community, this is our city," said Mr. Smith, a father of four who coaches football.

"Most of all, these are our children."

The mourners felt silent when the Arapahoe Road Baptist Church Choir began singing.

Near the ceremony's end, Governor Owens asked the crowd to join him in praying for the families of the dead. A white dove was released each time he read out a name.

AMERICAN TOPICS

College Professors Get the Boost

Average salaries for U.S. college professors rose 3.6 percent last year, their biggest inflation-adjusted jump in a dozen years, leaving full professors at 19 institutions earning \$100,000 or more a year.

The highest salaries were at institutions offering doctoral degrees, led by Rockefeller University (\$125,400), Harvard University (\$122,100), Stanford University (\$117,000), Princeton University (\$114,900) and the California Institute of Technology (\$114,600). At the bottom end, with salaries below \$33,000, were lesser-known establishments, including Cornish College of the Arts and Tufts McConell College.

Overall, the average salary of college professors rose to \$56,282. The Chronicle of Higher Education reports, in a further sign of the strong economy that has bolstered salaries in many sectors.

But Linda Bell, an economics professor at Haverford College, who compiled the statistics as part of a

report for the American Association of University Professors, said that the high pay at some institutions masks what she called "alarming" trends.

Full professors at private schools are now paid \$20,000 more on average than their counterparts at public institutions, she found, and men earn about \$9,000 more on average than women. Also, Ms. Bell noted, professors still earn about 30 percent less than the average highly educated professional in law or engineering.

Short Takes

Los Angeles, long a city without a center, is in the midst of a major push to develop a real downtown, where people both work and live. For years the downtown has been a daylight-only workplace that emptied at rush hour. But more and more downtown workers are fed up with endless commutes and boring lives in suburban "Sprawville."

Now, reports U.S. News & World Report, about a dozen major development projects and several smaller ones are under way, powered by a shift in the city's suburban mind-set that has changed cities like Denver, Dallas and Seattle.

In the last two years, about \$2 billion has been spent in downtown L.A., including the \$350 million Staples Center, which houses three professional

sports teams; a \$205 million Walt Disney Concert Hall; and a \$163 million Roman Catholic cathedral. At the micro level, some 2,000 artists and others have been snapping up loft space in the area.

Alabama, where public buses were desegregated in the 1950s followed by schools in the 1960s, has taken a step toward repealing the nation's only remaining state constitutional ban on interracial marriages. The state House voted without dissent to repeal the ban, which is no longer enforced.

If three-fifths of the Senate approves, the legislation would go to the voters. South Carolina removed its provision in February.

In San Francisco, a proposal to erect a sculpture of a giant foot along the waterfront has gotten the boot.

The 18-foot-tall (5.5 meter) stainless-steel foot had won the unanimous approval of the city's Art Commission. To be called "Embark," it was to show that "at this point in the new millennium, the journey would continue," said the sculptor, Richard Knight. But many San Franciscans derided the artwork as inappropriate and a waste of \$500,000. City supervisors have rejected the project.

Brian Knowlton

Away From Politics

Five 14-year-old boys were arrested in Wimberley, Texas, on charges that they plotted a bomb attack on their junior high school after gunpowder, crude explosive devices and bomb-making information were found in several of their homes. Authorities were weighing charging the boys as adults. (AP)

Two boys in Chicago, ages 7 and 8, who were wrongly accused of killing an 11-year-old girl, deserve an apology from the city, Mayor Richard Daley said. (AP)

OTHER HOTELS GREET YOU WITH FLOWERS. WE SEND A LIMOUSINE.

With our Business Plus Package, you can stay in our Deluxe rooms for just \$249.95 a night and include a lot of other little luxuries.

Round trip limousine transfer, complimentary buffet breakfast, city calls, laundry, pressing and dry cleaning, late check-out until 6:00pm, and, naturally, an in-room upgrade on your successful business Plus visits. For more information, please contact The Peninsula Manila. Offer valid from now until 31st December 1999.

Guests must satisfy the hotel's policy on smoking. The hotel does not accept pets, and a 20% deposit is required.

THE PENINSULA MANILA

Corners of Ayala & Makati Avenues, 1226 Makati City, Metro Manila, Republic of the Philippines.

Tel: (632) 487 2000 x 2000 or 103-215 0215
E-mail: penmanila@peninsula.com Website: www.peninsula.com

When you need medical treatment overseas, the last thing you want to worry about is the hospital bill. With BUPA International health cover you won't need to. We can take care of bills directly with our worldwide network of participating hospitals.

It's just one way BUPA International can help take the worry out of having medical treatment overseas. If you are living or working abroad find out how BUPA International can give you and your family extensive medical cover.

+64 7278 208 181
<http://www.bupa-intl.com>

Call now for a free quotation stating ref PO3

BUPA International

Breaking Their Bonds to Home Base
Families Left Stranded in Cuba When Baseball Players Defect to U.S.By James C. McKinley Jr.
New York Times Service

HAVANA — Reynaldo Ordonez Fiallo received a gift from the United States one day last month — a new, unmarked baseball glove made of beautiful tanned leather. As a bonus, the glove came with a tag bearing a color photograph of his father, the slick-fielding shortstop for the New York Mets, who is also named Rey Ordonez.

The ecstatic 6-year-old ran around his grandmother's apartment, showing off not only the new-smelling glove but the picture of the star shortstop. The glove, though, had not come from his father, but from a godmother in Miami.

In fact, family members here say that the elder Rey Ordonez, who will make \$1.6 million playing for the Mets this season, has played almost no role in the boy's life since leaving Cuba in 1993.

"He has never taken any interest at all in the boy," the child's mother, Hilda Maria Fiallo, said.

Ms. Fiallo's sense of abandonment is not the only kind of experience lived out by the families left behind as many of Cuba's best baseball players have fled the island in recent years. There are, too, tales of success and responsibility, even renunciation.

Indeed, the details of Mr. Ordonez's defection and what has happened since are complicated. When he defected, his son was an infant, and he and Ms. Fiallo hoped they would be reunited in the United States as soon as he broke into professional baseball. But those plans were derailed by time and distance.

Since 1991, roughly 30 players have defected. For all of them, the decision was a calculated gamble involving conflicting ambitions and risks: the dream of playing in the major leagues, a desire to provide for their families and the possibility that they would never see their families again or that their relationships with them could be permanently damaged. And those gambles have played out differently. Some families have risked their lives at sea to escape and reunite. Some players have been able only to funnel money, clothing and mementos to their relatives.

And there are a few, like Mr. Ordonez, who have become estranged from those they left behind.

Roberto Colina, a former first baseman on the Cuban national team, defected in 1996 and has managed both to support his family and reunite with his wife and daughter in Florida as he tries to earn a spot with the Tampa Bay Devil Rays. He is now a designated hitter in the minor leagues for the Class AA Orlando Devil Rays.

But for Jorge Luis Toca, his act of daring and selfishness has produced more mixed results. Also in the minor leagues, he has sent money back to his parents and brother, but his relationship with the mother of his 3-year-old son has deteriorated, and it is unclear if they will ever share a life together again.

"It's a difficult step to take this decision," Mr. Colina said of the option to defect. "One doesn't know if one will be able to get the family out. It's not easy. I decided to go ahead and whatever happened, happened."

The exodus began in earnest in 1991, when Rene Arocha, a pitcher with the Cuban national team, walked off an airplane that made an emergency stop in Miami and, in short order, got a contract with the St. Louis Cardinals, for whom he pitched from 1993 through 1995.

Mr. Arocha's success, and a Cuban economy devastated by the collapse of the Soviet Union, underscored the promise of American baseball and multimillion-dollar contracts.

Only a handful of the defectors have made it to the major leagues. Among them are Rolando Arriero of the Tampa Bay Devil Rays, Livan Hernandez of the Florida Marlins, Orlando Hernandez of the New York Yankees and Osvaldo Fernandez of the San Francisco Giants.

Almost always, the Cuban authorities have not permitted the families to follow.

A notable exception was made when a personal request to Fidel Castro by Cardinal John O'Connor, the archbishop of New York, resulted in Orlando Hernandez's being joined by his former wife and two children. They now live in Miami.

In Cuba, the government treats the players who left as if they do not exist, never mentioning them again in the state-controlled press. On the streets, however, they have become folk heroes to many citizens.

For their families left behind, the players are often something between invisible and heroic.

Like many Cuban emigrés, most of the players send dollars back to their families. The remittances provide a desperately needed economic lift.

Beyond financial support, players who make it onto professional teams, even in the minor leagues, are also a source of great pride — a pride, however, often tempered with a sense of loss, especially for older parents, who cannot envision themselves emigrating.

Years still form in Francisco Gomez's eyes when she explains the decision of her son, Toca, to leave Cuba. Mrs. Gomez says she understands why he left, but she wonders if she will ever see him again.

"He didn't want to go," she says. "He had everything here. A house. A family. His son."

Mr. Toca is currently playing first base for the Binghamton Mets in upstate New York, the Mets' Class AA club. He escaped from Cuba on a tiny launch last year with three other players and a pitching coach.

Mr. Toca's relatives, however lonely, still support his decision, saying he had no choice. He had been suspended for life from Cuban baseball in July 1997, after he and several other players spoke on the telephone to Mr. Arriero, the pitcher who had fled Cuba in 1996.

"He had no other way out," said his father, Juan Antonio Toca Garcia, a 56-year-old dental technician. "His life and his only job was to play baseball."

Mr. Toca's parents say he calls every week and sends money. But they say the financial assistance is secondary to his athletic success. They feel an injustice was done to him here.

"He doesn't even have to send anything home," Mr. Toca's father said. "As long as he triumphs. That's enough. That's enough joy for us."

No. 36,128

ans

initial explanation this month a column of a road near them for the es had indeed ned only mil-ake publicly. o quickly that Javier Solana, afternoon, he ent, and said



for refugees.

ps

ols of fabric. ovo Albanian order, a spurt in ople in the past kers say, about th. More than tent cities, and outstripped the

nt," said Paula ice of the UN

0

red

ss agency said Mr. ise of his "public o the government ect of the federal

Serbian leadership defeat NATO and t. i condition of an- visible fracture" in it "shows the price

Page 10

NDA

s Stance and Libya

Clinton has eased icy to allow food s to be sold to Iran. n. officials said

resents a softening three countries the s long viewed as rorism and export- Page 10.

n U.S. Beef

Union said Wed-ould ban U.S. beef e 15 unless Wash- e meat had no hormones. Page 11.

Page 7.

Page 5.

Pages 6-7.

Pages 18-19.

www.ihl.com

INTERNATIONAL

Forbidden Oil Flows From Thaw Between Syria and Iraq

By Douglas Jehl
New York Times Service

TADMOR, Syria — In a brazen violation of United Nations sanctions, scores of Syrian trucks laden with Iraqi oil shuttle past this desert oasis every day, reflecting the ties that have turned the former foes into friends.

Syria and Iraq long were bitter enemies, with their ruling Ba'ath parties divided by internecine rivalry. In the early 1980s, when Iraq and Iran went to war, Syria sided with Iran, and Syrian troops and tanks were part of the U.S.-led coalition that drove Iraqi forces from Kuwait during the Gulf War. Until October 1997, the border between the two

nations was closed, and top Syrian and Iraqi officials regularly traded snipes.

But there has been an abrupt realignment in the past two years, with Syrian trade delegations visiting Iraq and the reopening of the border. Trade between the two countries has blossomed.

Some of it is authorized by the United Nations, under arrangements that allow Iraq to import limited quantities of goods. Some of it, like the oil-tanker traffic, is not authorized.

The oil shipments have angered the United States and Britain, which have asked the Syrian authorities to stop them, diplomats in Damascus said. But the Syrians appear in no mood to do so, and some diplomats say they believe that

the government may play a role in distributing the oil.

The scope of the operation can be seen plainly in Tadmor, a village 220 kilometers (135 miles) northeast of Damascus. The town lies on a desert highway that has become a main thoroughfare for the illicit deliveries.

Tanker drivers regularly pull off the road at the Roman ruins of Palmira nearby, in full view of the Syrian police.

The operation clearly benefits both countries, the diplomats said. It gives Iraq a market beyond what the United Nations allows, and it gives Syria petroleum products. Syria is an exporter of oil, but it must import some products, notably fuel oil and diesel.

Most of the diplomats said they believed the tankers were carrying fuel oil, perhaps to be bartered for Syrian goods. They said it was clear that the operation was being coordinated on both sides of the border.

The tankers began to appear on Syrian highways several months ago, the diplomats said. They said that volumes seemed to have increased in the past month and that hundreds of tankers each week now brought Iraqi oil to Syria.

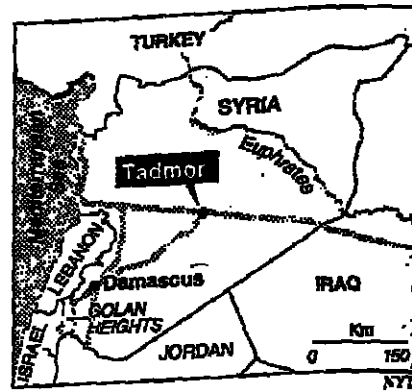
UN inspectors monitor only one of the three border crossings between the two countries, and their mandate allows them to search only shipments entering Iraq. Syrian military and intelligence personnel staff all the entry points, but the diplomats

said there was no evidence that they have tried to obstruct the shipments.

"When we raise the issue, the Syrians say, 'Well, it's a long border, and we can't patrol every inch,'" a Western diplomat said. "But they clearly know what's going on, and some of us believe they're facilitating it."

The diplomats said the Iraqi oil was sold or bartered to Syrian buyers, possibly including the government, or driven on to Lebanon.

As part of its warmer ties with Baghdad, Syria has said that it intends to open a long-closed pipeline that would allow Iraq to ship its oil to Syrian ports on the Mediterranean. But Syria has said it would do so only with UN approval.



Along with economic rewards, the closer links appear to have given the two countries important mutual political support. Syria, feeling slighted by the West for the hard line it has taken toward peace with Israel, has become a vocal critic of U.S.-led efforts to isolate Iraq.

Russia Asserts It Will Ignore NATO Oil Ban

By David Hoffman
Washington Post Service

MOSCOW — Russia said Monday that it would ignore the oil embargo imposed on Yugoslavia by NATO, but it prepared to play host to a new round of diplomacy seeking to settle the conflict.

Deputy Secretary of State Strobe Talbott arrived for talks, and President Boris Yeltsin telephoned President Jacques Chirac of France.

Foreign Minister Igor Ivanov said Russia would not abide by the embargo. "The naval sanctions on oil deliveries to Yugoslavia are not binding upon Russia," he said. "NATO sanctions are binding only upon the 19 NATO member countries."

But Prime Minister Yevgeni Primakov was more cautious. Asked what Russia would do if cargo vessels en route to Yugoslavia were blocked, Mr. Primakov said, "This is a question with many unknown aspects. First of all, what kind of Russian ships these are. Secondly, what kind of steps NATO takes. ... We will act in accordance with taking into account all circumstances."

Russian officials said they continued to hope to play a role in a settlement. They said "new ideas" were floated at a high-level Kremlin meeting Monday. Earlier efforts at Russian mediation have fallen flat.

Details of Mr. Yeltsin's phone call to Mr. Chirac were not released. Mr. Yeltsin spoke with President Bill Clinton over the weekend.

Viktor Chernomyrdin, who has been named special envoy on the conflict, is to meet with Mr. Talbott to discuss the former prime minister's recent visit to Belgrade and his suggestions for some kind of international peace force in Kosovo.

Later this week, the secretary-general of the United Nations, Kofi Annan, is due for a two-day visit here, along with Foreign Minister Yevgeny Papatov of Greece and Foreign Minister Lloyd Axworthy of Canada.

No Use of Force, General Says

A NATO general said Monday that allied warships could not use force in attempts to halt oil shipments to Yugoslavia. Reuters reported from Washington.

"A 'visit-and-search' regime does not give us the right to force anyone to abandon his course, so we cannot stop a merchant vessel by the use of force," General Klaus Naumann of Germany told reporters.

The general, who commands NATO's Military Committee, said the group was likely to approve an implementation plan for warships to begin searching vessels headed for the port of Bar in Montenegro.

The European Union and NATO have approved an embargo to stop oil going into Yugoslavia.

But General Naumann noted that the United Nations had not approved such an embargo.

"Obviously, this is going to be addressed on an urgent basis," a NATO spokesman, Jamie Shea, said at a briefing in Washington.

Milosevic Sends Plan For Peace to Gadhafi

Agence France-Presse

TRIPOLI — President Slobodan Milosevic of Yugoslavia has sent Libya's leader, Colonel Muammar Gadhafi, a proposal to end the war over Kosovo that calls for the creation of an international peacekeeping force, the Libyan news agency JANA said Monday.

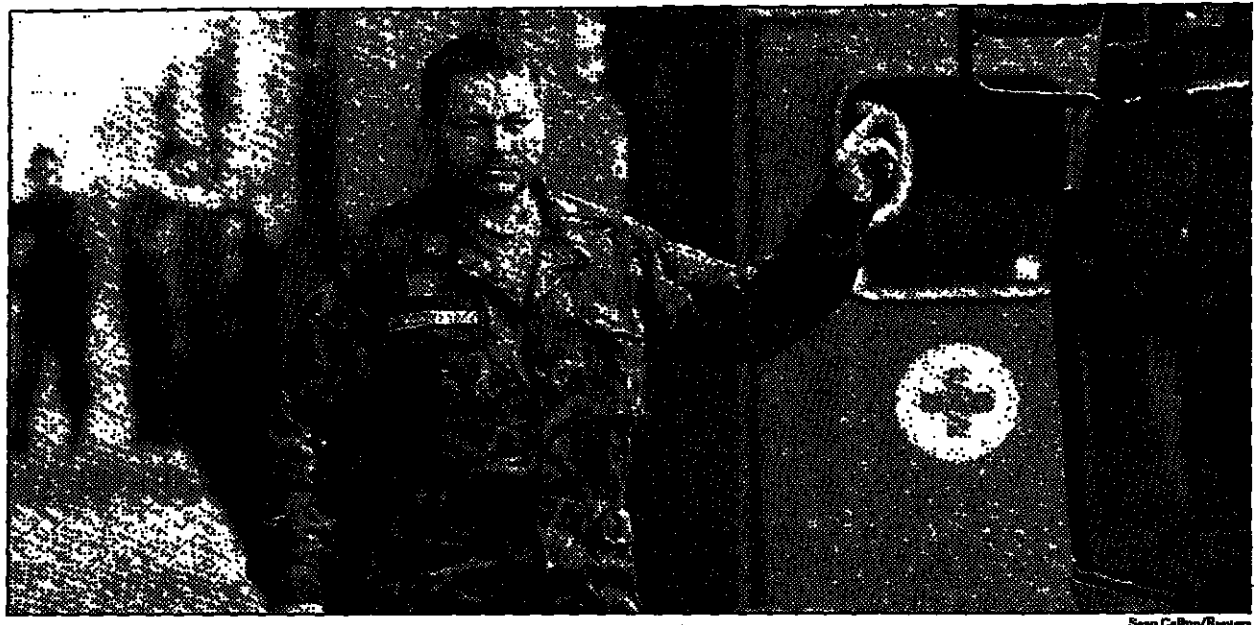
The proposal, presented to Colonel Gadhafi on Sunday by the Yugoslav deputy prime minister, Zoran Djindjic, centers on four "essential points," JANA said:

"The cessation of all military operations; the creation of a peacekeeping force in the region to be made up of several nations, excepting those taking part in the conflict; the return of refugees, and their right to full autonomy within the Federal Republic of Yugoslavia."

The importance that Colonel Gadhafi gives to security and peace in the world, as well as his friendly relations with all parties, make him the most likely candidate to make this proposal succeed," JANA said.

The Libyan news agency reported on April 17 that Mr. Milosevic had called on Colonel Gadhafi to use "the respect he enjoys from all parties and Libya's important role" in world affairs to resolve the crisis.

Libya has condemned the NATO air strikes.



A Czech soldier supervising the loading on Monday of a military hospital to help Kosovar refugees in Albania.

CAPITAL: Malaysia Builds a City, Hoping It Won't Be Noticed

Continued from Page 1

cost of the project, which will not be completed for another 15 years, is 20 billion ringgit, roughly a third of the government's total annual budget.

Less discussed — but perhaps more significant — are the social implications of the new capital for multiracial Malaysia. The vast majority of the country's civil servants are indigenous Malays and the government's plan to move several hundred thousand of them to Putrajaya will radically change the face of Kuala Lumpur, which will remain the commercial capital.

The result could be racial polarity: Kuala Lumpur dominated by ethnic Chinese and Putrajaya dominated by the Malays, who have ruled the country since independence in 1957.

At its inception, Putrajaya was billed as a "garden city," a meticulously planned urban utopia. With few exceptions, Southeast Asian cities have mushroomed over the past three decades with little planning and even less regard for the environment. Putrajaya was meant to be a radical shift from that legacy. Roads, the most modern telephone infrastructure and sewage systems were planned alongside the buildings they would serve.

Details of the city were planned down to what residents' front yards would look like. Officials decreed that neighbors would not be allowed to put up fences between their properties nor would they be allowed to install television antennas on their roofs (fiber optic connections in every house will eliminate any need for unsightly antennas).

This neat and organized city was to be Prime Minister Mahathir's crowning achievement, a legacy after 18 years in

power. The very location of the new city holds significance for Mr. Mahathir. It was he who helped transform Malaysia from a country reliant on commodities — palm oil, rubber and tin — to a country with one of Asia's most diversified and dynamic economies.

The prime minister also inaugurated a long list of mega-projects: among them an international airport for Kuala Lumpur and the world's tallest buildings, the Petronas Towers.

But mega-project is a dirty term in Malaysia now, tarnished by government critics who say Malaysia can ill afford such grandiose things during these hard economic times.

As the crisis unfolded 18 months ago, the government canceled plans for regional airports, highways and a \$3 billion hydroelectric dam.

Putrajaya is the mega-project that got away — albeit quietly. Wary of providing ammunition for government critics, the government has kept details of the project under wraps.

"Try getting black and white information on Putrajaya," said an adviser to one of Malaysia's top politicians. "You might find some glossy brochures. But that's it."

Indeed, with the exception of a political squabble over the cost of the prime minister's new residence, Putrajaya — Malaysia's biggest construction project by far — has stayed out of the headlines in the past year.

"There is so little news," said Khoo Kay Kim, a Malaysian historian and authority on the early development of Kuala Lumpur. "People don't know much about it."

Although the government has succeeded in muting controversy over the project, Putrajaya's future is all but cer-

tain. It remains to be seen whether civil servants who live in and around Kuala Lumpur will want to sell their houses and move to the new city. Moving every ministry to Putrajaya could also prove very costly for a government struggling to steer its economy toward economic recovery.

"I don't think we're about to see a whole scale movement of government," said Jomo K.S., a professor of economics at the University of Malaya. "A lot will depend on general economic conditions and the survival of Mahathir himself as the head of government."

Foreign missions, for one, appear very reluctant to move. Many countries have recently refurbished their embassies in Kuala Lumpur and are loath to give up such prime real estate. A move to Putrajaya could also complicate ordinary things like visa services.

"I haven't heard of a single embassy that has talked about making a move there," said a Western diplomat who consults frequently with colleagues from other embassies. "For many countries one of the main reasons to have a presence in Kuala Lumpur is commercial relations, and that requires being in Kuala Lumpur."

But all this uncertainty obscures one central fact: construction of Putrajaya has continued throughout what was the most severe economic crisis that Malaysia has ever seen — not to mention anti-government street demonstrations and overt political dogfights.

Buildings that two years ago did not exist in Putrajaya are today almost ready to receive the first contingent of civil servants.

The tenacity that Mr. Mahathir has shown in pushing through such projects as a new Formula One racing circuit, a giant sports stadium and a highway that spans the entire length of peninsular Malaysia bodes well for the continuation of the project.

"I don't think it's going to be a white elephant in the way some of these more ill-considered capitals have become," said Mr. Jomo, the economics professor, referring to a list of government-led urban projects around the world that have flopped.

Others are less certain.

"I'm not sure whether such projects will continue once a new regime comes to power," said the government adviser.

"But then, what do we do with it?"

MILOSEVIC: Undaunted and Unbowed

Continued from Page 1

him. "When everything is normal, he can't come up with a strategy. He needs conflict. NATO played right into his hands."

Given the secrecy that surrounds the inner workings of the Yugoslav regime, and particularly Mr. Milosevic's own activities, it is virtually impossible to get independent insights into the Yugoslav leader's present state of mind.

But the general impression of cool calculation mingled with indignant self-righteousness is consistent with his behavior during earlier political crises, including three dramatic months in early 1997 when popular demonstrations over electoral fraud seemed to have a good chance of toppling him from power.

Mr. Milosevic rode out that crisis in the same way that he is riding out the present war with the U.S.-led alliance: through a mixture of stubbornness, patience and cosmetic concessions.

Many political analysts in Serbia, including Zoran Djindjic, leader of the opposition Democratic Party, say that the present crisis has strengthened Mr. Milosevic. The NATO attacks have sparked a nationalistic upsurge that has seriously undermined Mr. Milosevic's opposition, because it now seems unpatriotic to be pro-Western.

The buttressing of Mr. Milosevic's political position has not necessarily made him more popular among ordinary Serbs. Many Serbs, particularly in big cities like Belgrade, continue to have little affection for a man they associate with a decade of war and a catastrophic decline in their standard of living. The present mood is not pro-Milosevic but anti-NATO.

"For most Serbs, Milosevic does not matter any more," said a former associate. "This is not about him. This is about the country."

One of the very few political leaders here who has openly espoused political compromise with the West is Deputy Prime Minister Vuk Draskovic, the leader of a moderate party who joined the government this year.

In a television appearance Sunday night, he urged the Belgrade government to accept a compromise on Kosovo that he predicted would be reached with Russian and UN mediation, and he called on state leaders to "stop lying to the people and finally tell them the truth."

As a statesman, Mr. Milosevic has presided over disastrous setbacks for Yugoslavia and Serbia. During his 10 years in power, the country has lost traditional Serb-occupied lands in Croatia and Bosnia. The economy was a shambles even before NATO missiles began destroying the country's biggest industrial plants, bridges and power grids.

As a political tactician determined to hang on to power, however, Mr. Milosevic has few equals. In the opening phase of the present crisis, his grasp of military strategy and war aims seem to have been superior to that of his NATO enemies. While Mr. Milosevic apparently had a good idea of the damage that NATO was prepared to inflict on his country — and made the brutal calculation that the pain was bearable — NATO was unprepared for the all-out Serb offensive in Kosovo and the forced exodus of many of its ethnic Albanian inhabitants.

Even if NATO succeeds in wresting control over Kosovo from Belgrade through a protracted air campaign or a ground offensive, most Serbian observers believe Mr. Milosevic will find ways

of turning the situation to his advantage.

"This will probably end with a Western victory," said Aleksa Djilas, a political analyst who is the son of the former Yugoslav dissident Milovan Djilas. But, he said, "it will be a Pyrrhic victory" if the aim is to get rid of Mr. Milosevic or to ensure lasting political stability in the Balkans.

Like many other Serbian intellectuals who have opposed Mr. Milosevic, Mr. Djilas believes that Western governments made a mistake in squeezing the Yugoslav leader into a corner. "They left no room for diplomacy," Mr. Djilas said. "They came to the conclusion that nobody here supports Milosevic so they could simply bully him."

KOSOVO: New NATO Resolve

Continued from Page 1

country is to face the people every day and explain to them through the media directly the truth, the reality, and on the basis of that reality we must be ready for very urgent and very brave moves toward approaching a compromise and peace based on the Charter of the United Nations," he said.

Mr. Draskovic claimed to be speaking with the approval of Mr. Milosevic, apparently including a statement saying that everything was negotiable except Kosovo's status as part of Yugoslavia. But on Monday night, a military "editor" entered the premises of Studio B, an independent television station supported by Mr. Draskovic's party, in an apparent attempt to force the station to broadcast news approved by the government.

Mr. Draskovic said that if the military did not withdraw its "editor," he would call for street demonstrations.

"It's probably too early to say" that Mr. Milosevic was looking for a way out, said Jamie Shea, a NATO spokesman.

But the Clinton administration official indicated that Mr. Draskovic's comments might accelerate moves by Moscow to distance itself from Belgrade as Strobe Talbott, the deputy secretary of state, goes to Russia for talks aimed at drawing President Boris Yeltsin closer to Western efforts to end the conflict.

"The Russian leaders are starting to get tired of being Milosevic's lawyers and starting to understand that if they bury their prestige in a losing cause in Kosovo, they reduce their chances of playing an influential role in European security in future," the administration official said.

NATO's prospects as the linchpin of European security had sharply improved, he said, thanks to summit meetings decisions ratcheting up the air campaign in Kosovo, which has become the last case for NATO's credibility. As defined by the gathering, such credibility is the prime instrument for crisis management, including the use of force in situations around Europe that threaten Western security interests.

Accelerating the air campaign, he said, NATO had delegated target selection to General Wesley Clark, the NATO commander. If a NATO ally objects afterwards to an air strike, as Italy did about the destruction of the Serbian TV center, the complaint is smoothed out by Javier Solana, the NATO secretary-general, or in direct contacts between alliance military and the national commanders of the aggrieved country, he said.

The system has been in effect since March 31, with good results, he said, adding that NATO was already starting to attack economic targets that had been initially reserved for Phase 3 of the air war.

And, he said, more U.S. warplanes were being readied for the assault now that they could be based in frontline states such as Hungary.

A NATO victory in Kosovo could mark a decisive turn in the outlook for the Balkans.

Serbia is unique, the official said, because of its virulent nationalism and economic isolation fostered by Mr. Milosevic — and because of the special military and social challenge it could mount. If the alliance prevails in this confrontation, he said, "it would not expect to be tested on this scale again on the European Continent."

Red Cross Visits 3 Captive GIs

Steven Erlanger of The New York Times reported from Belgrade:

Three U.S. soldiers, captured by Yugoslav forces a month ago, appeared to be in good condition Monday during a brief visit by the president of the International Committee of the Red Cross.

Cornelio Sommaruga, the Red Cross official, said he had a short, normal conversation with the three men in the presence of Yugoslav authorities. He refused to comment on their condition, saying that a full visit by a Red Cross doctor would take place on Tuesday.

HOOLIGANS: Guns Are Used

Continued from Page 1

where a fringe of violent fans gained notoriety in 1997 with the murder of a rival Ajax fan.

Organizers of the tournament said they would not change the venue.

"Things went wrong yesterday, but I'm sure they will learn from what happened and possibly adjust their plans," the Euro 2000 spokesman, Richard van der Eijk, said Monday of police and municipal preparations for the 16-team tournament, for which the Netherlands and Belgium are co-hosts.

"Rotterdam has five matches during Euro 2000, and nothing will change in this matter," Mr. Van der Eijk said.

As downtown shopkeepers swept up glass in their looted stores, police were studying video images to pinpoint ringleaders and tracing witnesses who claimed to have seen hooligans armed with handguns.

Hooligans reportedly coordinated the violence using mobile telephones so that one group of rioters attacked police while another group looted stores. (Reuters, AP)

A Feared Security Adviser Angola Killings on Train Laid to UNITA Guerrillas

LIMA, Peru — President Alberto Fujimori's feared security adviser has stepped out from the shadows to give his first interview since Mr. Fujimori came to power nearly a decade ago.

"Intelligence agents always work in silence," Vladimir Montesinos told Channel 4 on Sunday.

Mr. Montesinos recounted the emotions he felt when he received Mr. Fujimori's order to begin the rescue two years ago of 72 hostages held by leftist rebels.

Jamaicans Protest Anew Over Gas Price Increases

KINGSTON, Jamaica — Dozens of cars traveled in a peaceful protest Sunday through the capital of Jamaica, where smashed windows remained a reminder of recent riots against higher gasoline prices and taxes.

The caravan was much smaller than organizers had hoped for after a federation of taxi drivers decided not to participate.

The taxi drivers said they wanted to give a committee appointed by Prime Minister P.J. Patterson time to consider alternative ways of raising government income. (AP)

Angola Killings on Train Laid to UNITA Guerrillas

LISBON — Suspected UNITA guerrillas have killed at least 25 people, including 10 policemen, and wounded many more in an attack on a train in western Angola, Portugal's Renascenca radio reported Monday.

In a report from Luanda, the broadcast said the attack occurred Sunday near Canjala, 80 kilometers (50 miles) from the western port city of Benguela.

The radio said the train had 16 carriages and was being protected by special police. It was carrying mostly food. (Reuters)

1,000 Militant Islamists Are Freed by Egyptians

CAIRO — The Egyptian authorities released more than 1,000 Islamic militants from prison Monday in the biggest conciliatory gesture since fundamentalist violence erupted in 1992, police sources said.

According to a police official, Interior Minister Habib Adli ordered the release of the prisoners, all members of Egypt's main Islamic militant group, Jamaa Islamiyya, following an announcement last month by the group in which it renounced violence. (AFP)

States Like Bulgaria Need to Develop to Serve as Model to Yugoslavs

Page 7.
Page 5.
Pages 6-7.
Pages 18-19.
www.ibt.com

EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Reluctant Allies

In more routine circumstances, the NATO 50th anniversary summit meeting could have been regarded as a resounding success. The United States and its European allies had a great victory in the Cold War to celebrate. They laid down a practical basis on which their alliance can move forward into the uncertain terrain of a new century. They assembled a common policy for dealing with the Kosovo crisis provoked by the atrocities, still being committed, of Serbia's Slobodan Milosevic.

And yet unalloyed satisfaction obviously was out of place at the summit. Kosovo hung over the proceedings, a dark reality that would not go away.

The summit meeting did not meet its litmus test: to promptly start preparing a ground option for later decision. As a result, the alliance finds itself still having to prove its qualifications for 21st century service. Its so far ambivalent and inconclusive treatment of Kosovo leaves it under continuing obligation to show its capacities for dealing with post-Cold War crimes and disorders within the boundaries of sovereign states. The more so that facing up to these new happenings is precisely the task the alliance embraced in Washington as its reason for continuing for another 50 years.

The American dilemma remains what it has been since the bombing in response to Serbia's atrocities began just over a month ago. The available

means simply do not seem to fit the broad ends of policy. On Sunday, for instance, the Clinton administration, without otherwise adding to its military resources, toughened the alliance commitment to shield Macedonia, Albania and other "frontline" states against Serbian reprisal.

In the second month of bombing, moreover, the storied unity and cohesion of the alliance are being put to ever more rigorous test. The governing coalitions of Germany, Greece and the Czech Republic are wobbling under the pressures of escalation. Allied controversy over a proposed campaign to embargo Serbia's ship-borne oil supplies is deepening. The expectation of a prompt allied victory by airpower has long since been frustrated, forcing the United States and other allies toward the hot-potato issue of ground troops. The Russian factor has its own potential for strain among the allies.

The NATO 19 are in fact allies, but reluctant allies, not automatic ones. The discipline of the Cold War has yielded to a measure of autonomous decision-making that is, although not incompatible with alliance, difficult to shape to it. What must be kept front and center is the horror of the killing and the mass deportation launched by Slobodan Milosevic and the absolute requirement on the Atlantic democracies to stand against such evil in Europe.

—THE WASHINGTON POST.

Captive of History

If Russia is ever to break free of the heritage that stunts its development, it must overcome its reflexive allegiance to bloody-minded tyrants like Slobodan Milosevic and Saddam Hussein. As hard as it may be for Boris Yeltsin, he should use this critical moment in Europe to push Russia toward an enduring partnership with the West. Only then can Russia hope to build the modern economy and democracy that its people want and deserve.

There are many reasons why Moscow is still dancing with Mr. Milosevic as his forces brutally assault the people of Kosovo, but none promise to benefit Russia as it struggles to rebuild its dysfunctional economy. Slavic solidarity, a common antipathy to NATO and fervent nationalism may play well in Moscow and Belgrade, but they are dead-end policies for Russia. The preservation of Slavic culture, language and identity is an honorable aim, but it is not a productive foreign policy.

The Kremlin's embrace of dictators had a certain ruthless logic during the Cold War, when Russia was prepared to use whatever repression was required at home and abroad to protect and export its ideology. The United States, in the name of advancing democracy, closed ranks with anti-Communist tyrants in Asia and Latin America. But seven years after the disintegration of the Soviet Union, at a time when democracy and economic integration are reshaping the world, Mr. Milosevic and Saddam are political anachronisms. Alliance with them brings estrangement from the rest of the world, the last thing Russia needs.

In the case of Kosovo, Moscow no doubt fears that NATO intervention in Yugoslavia could lead someday to outside interference in Russia's own ethnic conflicts. But that is a false fear. NATO well knows that it cannot in-

tervene in Russia without igniting a new Continental war in Europe. Russia, for all the cruelty of its assault on Chechnya, did not conduct a genocidal campaign in the breakaway territory.

With anti-American sentiment rising in Russia, and parliamentary and presidential elections scheduled over the next 14 months, Mr. Yeltsin may feel that he cannot afford to lean away from Mr. Milosevic. But the paramount domestic issue in Russia is the ailing economy, not Kosovo. There is little need for Moscow to align itself so ardently with Belgrade.

Russia's role as a potential peacekeeper would be enhanced if Viktor Chernomyrdin, Mr. Yeltsin's special envoy for the Balkans, were free to tell Mr. Milosevic that the Serbian offensive in Kosovo is intolerable. Mr. Milosevic might listen more closely to diplomatic proposals if Moscow declared that he must allow ethnic Albanians to return home under the protection of an international force of armed peacekeepers. Mr. Chernomyrdin said Mr. Milosevic agreed to such a force when they talked in Belgrade last week, but the Yugoslav government insisted that only unarmed peacekeepers had been discussed.

Russia's future development has little to do with Kosovo and a great deal to do with how Moscow manages relations with the United States and Europe. In the near term, Russia desperately needs \$4.5 billion in loans from the IMF, assistance that is likely to be approved soon if the Fund is satisfied that the government budget is responsible. But that is just a fraction of the foreign capital and commerce that Russia will need to attract over the next decade if it is to build a new and prosperous economy. Slobodan Milosevic is not going to be a big contributor.

—THE NEW YORK TIMES.

Ban Handguns Now

President Bill Clinton should seize the moment to stand up for a national ban on the general sale, manufacture and ownership of handguns.

Drastic? To be sure. A cure for kids with violent tendencies? No. A curb on criminal activity? To some extent. Most of all, it is a stiff proposal aimed squarely at America's phenomenal traffic in concealable weapons. Exceptions could be made for federal, state and local law enforcement and military agencies; collectors of antique firearms; federally licensed handgun sporting clubs with certain safety procedures; security guard services; and licensed dealers, importers or manufacturers that are determined to be meeting these needs.

Such a bill was proposed nearly seven years ago by Senator John Chafee, Republican of Rhode Island. "I hear people say it's a radical proposal," he

said at the time. "Well, I think to have the current situation is what is radical. No other country has anything like it."

The number of guns in private hands grows on — about 60 million handguns. The National Rifle Association's lobbyists and their elected voices can be counted on to blast any proposal for a ban as part of a plot to disarm the citizenry and overturn the constitution. But individual citizens have deep personal reasons for concluding otherwise. They know that violence — whether by alienated high school students, hardened criminals, mentally disturbed people or innocent children playing with loaded weapons — has reached alarming levels in a country awash in concealable deadly weapons.

Where is Mr. Clinton on this question? Where are candidates for the presidency? Why not ban handguns now?

—THE WASHINGTON POST.

Is the Global Economy Widening the Income Gap?

By Jim Hoagland

WASHINGTON — The global economy created in the 1990s by the spread of markets, information technology and more open trade has yet to prove that it distributes its fruits more evenly than did the system of the Cold War era. The Internet may connect a world in which the rich still get richer and the poor get poorer — only faster.

You would expect a wealthy banker and a rigorous professor at Harvard University to disagree on this proposition. The surprise is in who takes which side of the argument.

You hear talk about a new financial order, about an international bankruptcy law, about transparency, and more, one speaker told a ballroom audience here recently. "These issues are extremely important. But you don't hear a word about people. You don't hear about the underlying social structure that has to be developed" to underpin an effective and fair global financial and trading system.

That is the banker talking.

James D. Wolfensohn, president of the World Bank, clearly does not share the spreading sense among his fellow moguls of money that globalization equals general progress. He bristles at the modesty of the changes they are expected to endorse at the spring meetings of the International Monetary Fund and the World Bank in Washington this week and at the Group

of Eight summit in Germany in June. "If we don't get the base right, we'll have great architecture but the building will fall over," he said in an address to the Trilateral Commission.

Mr. Wolfensohn, a successful investment banker in his native Australia and then in New York, displays missionary zeal in focusing on the problems of the world's poor have in plugging into globalization. The poor, the intended beneficiaries of the development projects that the World Bank finances, are his constituency.

He worries that development assistance from the world's affluent countries has declined from \$60 billion 10 years ago to \$35 billion today, even as Third World countries have adopted free market systems and learned to use aid more effectively.

Two billion people live on less than \$2 a day. [Almost as many] do not have access to clean water. The significant gains the world made in women's education are being reversed. We live in a world that gradually is getting worse and worse. It is not hopeless, but we must do something about it now."

Mr. Wolfensohn argues for radical and comprehensive change. He has shaken up the World Bank, and made foes at the IMF and the U.S. Treasury,

by arguing that macroeconomic financial programs such as those tried in Russia and Indonesia cannot alone resolve those countries' deep problems. He made those arguments before both economies went belly up.

Instead, he is pushing for a Comprehensive Development Framework, which would tie economic help for troubled economies to integrated planning to combat social infrastructure problems such as unemployment, collapsing health systems and poor access to education. These efforts have to be put in place with the traditional IMF programs to fight inflation and currency turmoil if the programs are not to continue to fail, he argues.

This Wolfensohnian direness is out of sync with the mood within the world's chief financial oversight institutions. Brazil, South Korea and Thailand breathe easier after adopting IMF programs. Wall Street stocks are hitting record levels. The monster corporate credit crunch that seemed to threaten last autumn did not materialize. The system, after teetering, is back from the brink. A little tidying up around the edges will be the topic of discussion this week at the IMF meeting.

Mr. Wolfensohn's presentation was provocatively challenged at the Trilateral meeting, which brings together movers and shakers from North America, Europe and Japan for an annual

two-day discussion of the state of the world. The sharpest disagreement came from Richard Cooper of Harvard.

"While much human hardship remains, the late 20th century trend is unambiguously positive," says Mr. Cooper. "The fraction of the world population living in poverty has gone way down," largely due to improvement in India and China. He concedes that things may be worse in Africa and elsewhere. "But I resist strongly the generalization that the human condition has worsened over the past decade."

Mr. Cooper has statistics on per capita income, infant mortality, longevity and other categories on his side in this argument. But Mr. Wolfensohn's point rises above statistics. He spotlights a growing insensitivity to the plight of those left behind by the rising tide of globalization — or, as Joe Rogly recently put it in the Financial Times, "the sense that as our knowledge of how to create wealth increases, our understanding of social relations, our moral sense, fails us."

Mr. Wolfensohn concedes only that he used overly dramatic rhetoric to state his case. "The sense of the warning is valid and correct. At the level of people, the system is not working." And he makes clear that he will push the argument out into the open every chance he gets.

The Washington Post.

NATO Could Win a Kosovo Ground War Within Weeks

By Robert Killebrew

WASHINGTON — "You can ask me for anything you like, except time."

—Napoleon.

The United States' and NATO's miscalculation of Serbian intransigence has led the alliance into a strange, one-sided war of attrition, in which President Slobodan Milosevic of Yugoslavia stands to win by waiting out NATO's air attacks. NATO's options seem to be: continue bombing and hope that Mr. Milosevic capitulates; seek a negotiated settlement; or initiate a combined ground-air offensive in Kosovo to secure the province by force.

There are dangers inherent in all three, but unless Mr. Milosevic caves in, ground operations provide the only realistic chance NATO and the United States have of winning this war.

Pundits have decried the time it would take to deploy effective ground forces to the region and to do the job. Some estimates amount to "months." But the estimates are wrong.

Despite difficulties in establishing ground operations — notably distance, terrain and weather — my experience in more than 20 years of planning and executing rapid force deployment operations tells me that NATO could get the right forces there in weeks, not months, and that its combined air-ground campaign could defeat decisively the estimated 40,000 regular and irregular Yugoslav forces now in Kosovo as well as reinforcements from elsewhere in Yugoslavia. Sadly, American and other NATO casualties will be unavoidable as combat soldiers enter the risky world of face-to-face war.

NATO has no shortage of rapidly deployable, tough and lethal ground units. If NATO decides to use them, land operations should resemble the lightning U.S. invasion of Panama in 1989 rather than the massive armored juggernaut of Desert Storm in 1991. In fact, a protracted Gulf War-style buildup would be counterproductive, allowing time for the Yugoslav Army to entrench further.

First, however, NATO forces need a clear mission. For starters, a NATO objective to establish a broad and comprehensive settlement across the Balkans, one that leads to security and peace for its inhabitants, would give military commanders the scope and authority they need to plan and conduct a winning campaign in and around Kosovo.

Second, once NATO enters a ground war, the combined air-ground campaign must employ overwhelming power to force a rapid and decisive conclusion. That has not been the case thus far in the air war for many reasons, but primarily because although airpower can sometimes prompt negotiation, it is never decisive on its own.

The list of available Western forces already in the Balkans is impressive. Britain, France and Germany have about 12,000 troops in Macedonia. They have some very effective helicopter-borne units, and enough British Challenger, German

Leopard and French AMX-30 tanks there to form a significant armored force on Kosovo's southern border, along one of the few feasible tank routes into the area. The United States has deployed an Apache anti-tank helicopter unit and rocket artillery to Albania, along with a contingent of infantry for local security.

Military engineers from other NATO countries — soon to be deployed to support refugees — could also build and maintain ground supply routes and resupply points around Kosovo's periphery that would support combat forces.

The best-suited U.S. ground forces available for a Kosovo intervention come not from Europe, but from the U.S. Army's XVIII Airborne Corps, which is frequently the "tip of the spear" of U.S. military power. Its four U.S.-based infantry divisions (roughly 14,000 to 18,000 troops in each) deploy quickly. If conducted the fast-moving Operation Just Cause in Panama, and it led the U.S. initial ground defense of Saudi Arabia during the Gulf crisis.

The size and design of the corps' infantry divisions allow them to be moved rapidly in Air Force transport planes, particularly the new C-17, designed specifically for airdrops or landing on crude airstrips.

Once in the battle area, the infantry of the 82d and 101st Airborne and 10th Mountain Divisions would speed around the battle area in Humvees or low-flying Blackhawk helicopters. The corps' aviation

and artillery, teamed with NATO aircraft flying close support, would provide crushing firepower, and its highly trained infantry are prepared for the grim business of killing or disarming paramilitaries.

Its heavy punch is the 3d Mechanized Infantry Division, composed of M1A2 main battle tanks and mechanized infantry. This division, and its supporting cargo ships, maintain constant readiness to load combat-ready armored forces on short notice and steam at more than 25 knots from Savannah, Georgia, to distant ports. They are days, not weeks, from the Balkans.

Campaign planning for Kosovo must take into account the area's rugged terrain, poor roads and rotten weather. If Greece permits, the use of its ports and roads from Greece through Macedonia would considerably ease the movement of supplies. Geography would restrict the rapid deployment of large armored formations into Kosovo. Fortunately, the Adriatic Sea is nearby, raising the possibility of ship-to-shore support to forward bases in Albania.

The Yugoslav Army and paramilitaries are not impressive. This is an outdated, Soviet-style force whose only recent exercise has been shelling civilians. Knowledgeable former Yugoslav military men have low opinions of the fighting ability of the present crop of city-bred Serbian conscripts, and think NATO could prevail with fewer troops than the standard three-to-one ratio of attack to defense.

On Thursday, the NATO secretary-general, Javier Solana, authorized the alliance's military command to review plans for the possible use of ground troops in Kosovo. I have operated with some of these forces, I have seen them in action and studied the results of their campaigns. Their methods are well-known, and the scenario that follows reveals nothing that would compromise their mission or aid their enemy. Based on my experience and on publicly available information, here is one theory of how a combined air-ground NATO campaign might unfold:

The campaign would likely consist of three distinct phases. In the first 48 hours of an assault, NATO forces would attack hardened Yugoslav positions, armor and forces that could offer serious resistance.

In the second phase, NATO forces would secure the avenues of approach to Kosovo from the rest of Yugoslavia. NATO infantry would seek out and destroy or disarm paramilitaries and police. This phase would last considerably longer — perhaps several weeks.

The third phase would bring a gradual return of law and order to the province, the return of refugees and begin the process of reconstruction. NATO forces would secure the border, suppress terrorism and conduct peace operations. This phase would continue indefinitely.

In this last phase of the operation, NATO forces would face the complex challenge of restoring the rule of law, rebuilding a civil society and beginning to return the refugees to their homes, many of which would be rubble.

And as the seasons change, NATO would also face the threat of worsening weather. This final phase would be long, dangerous and difficult, but we should not be put off by the difficulty. Kosovo is not Vietnam, and the paramilitary thugs are not the Viet Cong.

We should make no mistake that there will be casualties. If this becomes a ground war, U.S. infantrymen will be facing it the old-fashioned way, across rifle sights, amid the snap and crack of incoming small-arms fire. American and NATO infantry are the best there is, though, and recent experience in Panama, Iraq and Somalia clearly shows that they can beat any opposition, and with the fewest possible losses.

For NATO's military, even the best "end state" of a Kosovo operation would be wearying and difficult. Long-term NATO peacekeeping garrisons would be established in the Balkans.

Since America is now relearning — for the third time this century — that the peace and stability of Europe is necessary for its own security, garrisoning the Balkans would be a small price to pay for having drifted so close to anarchy and the threat of a wider war. But even under the most favorable conditions, we are there for the long haul.

The writer, who retired from the U.S. Army as an infantry colonel in 1997, writes and speaks on defense issues. He contributed this comment to The Washington Post.

Australia's Divide Over East Timor

By Philip Bowring

SYDNEY — The planned meeting in Bali this Tuesday between President B.J. Habibie and Prime Minister John Howard reflects the depth of Australian concern about the violence in East Timor and the threat to the promised free vote on autonomy. But the meeting underlines how little power either leader has to control events.

Both are responding to pressures to "do something."

Mr. Howard must cope with the anti-Indonesian sentiment that dominates Australia's media, and the exaggerated assumptions of many Australians about what their nation can do to help the Timorese.

For his part, Mr. Habibie must be seen to be taking seriously international criticism of the behavior of the Indonesian military in Timor. Even Japan has now joined that chorus. He also needs to prevent the Timor issue from casting a shadow over Indonesia's June 7 elections, which are vital to establishing legitimacy and stability for the government in Jakarta.

In Australia there is a divide. Foreign policy has long viewed accommodation with a nation of 150 million as more important than the fate of half a small island left in the lurch by Portugal in 1975. On the other hand, there is deep distrust of the Indonesian military, an emotional attachment to "minority rights" issues of all kinds, links to East Timor's Christian community, and a rose-tinted view of the independence movement.

What can Mr. Howard actually do? He can end aid to and military cooperation with

Jakarta, but that would merely be an irritation. In theory he could push for the United States and the European Union to make IMF help conditional on good behavior in Timor. But the West has other concerns. It would anyway be reluctant to further jeopardize the stability of a major debtor, or make overt threats that could undermine the elections.

Many Australians see a comparison between Timor and Kosovo, but for all its failings Jakarta cannot be accused of ethnic cleansing. Even if there were a parallel, there is no way that ASEAN neighbors would assist the dismemberment of Indonesia.

Indeed, many view Western concern about Timor as hypocrisy, an issue kept alive for its own reasons by Portugal, a failed colonizer.

The issue will continue to embarrass Indonesia at the United Nations, but the United Nations cannot impose a solution. This is not Cambodia, where the powers were directly involved and needed the United Nations as part of the solution. The United Nations, and Australia, can assist in the polls but could only be peacekeepers if, as seems unlikely, Jakarta agreed. Even then, it is hard to see Australian troops settling a civil war.

As for Mr. Habibie, his control of the army is limited. It has lost too many lives there to readily accept his offer to let East Timor go if the majority desires. Timor could also become an issue in the political horse-trading between the June

7 elections and the November choice of a president.

Mr. Howard has to recognize that democracy could make a Timor solution even more difficult, constitutionally and emotionally. Many Indonesians feel that having spent so much money and effort on integration, Jakarta should hang on regardless.

Indonesians are also more concerned than Australians recognize that Western Christian identification with Timorese separatism is no help to religious harmony elsewhere in Indonesia. They note, too, that thousands of non-Timorese have left for fear of their own future safety in a land to be ruled by Fretilin and Xanana Gusmao.

Independence advocates now find propaganda and diplomacy their most effective weapons, but it was not always so. Mr. Gusmao has promised to resort to arms if needed, thereby increasing the Indonesian military's tendency to arm pro-independence militias.

A kill-or-be-killed mentality may be forming. A political solution looks very difficult even if Fretilin were prepared to acknowledge that the majority might prefer to forgo independence rather than endure the endless bloodshed that seems likely from today's polarization.

Perhaps the best that Mr. Habibie and Mr. Howard can do is use this meeting to limit the ability of their domestic politics to make a bad situation worse, and remind their constituents that democratic politics in plural societies involves compromises on all sides.

International Herald Tribune.

Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen of the Board

PETER C. GOLDMARK JR., Chairman and Chief Executive Officer
RICHARD WOODBRIDGE, President and Chief Operating Officer
MICHAEL GETTLER, Executive Editor

• WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor
• KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors
• ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• SAMUEL ABT and NICK STOUT, Associate Editors

• RENÉ BONDY, Senior Vice President and Chief Financial Officer
• DIDIER BRUN, Circulation and Development Director
• STEPHEN DUNBAR-JOHNSTON, Advertising Director • IAN WALTHAM, Marketing Director
Director of the Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: <http://www.ihb.com> E-Mail: ihb@ihb.com

Editor for Asia: Michael Richardson
Managing Director, Asia: Nigel I. Oakes
#1201, 191 Jave Road, Hong Kong, Tel.: 852-2922-1188. Fax: 852-2922-1190

General Manager, Germany: Thomas Schliker
Friedrichstr. 15, 60323 Frankfurt, Tel.: +49 69 971250-0. Fax: +49 69 971250-20

Regional Director, The Americas: Michael Gault
850 Third Ave., New York, N.Y. 10022, Tel.: (212) 752-3890. Fax: (212) 752-5785

U.K. Advertising Office: 40 Marsh Wall, London E14 9TP. Tel.: (171) 510-5700. Tel.: (171) 987-3451
S.A.S. en capital de 1.200.000 F. RCS Nanterre B 75202126. Commission Paritaire No. 61377
©1999, International Herald Tribune. All rights reserved. ISSN-0294-3025

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Outlanders' Griev

LONDON — The "Daily Telegraph," on the Outlanders' grievances in the Transvaal, says: "It is impossible to ignore the temptations to Englishmen in the Cape, Natal and Rhodesia, chafing at the oppressions of their kith and kin, to throw in their lot with those who would create a United States of South Africa, which must be dominated by men of English descent, but which would be independent of the Imperial Government."

The writer, who retired from the U.S. Army as an infantry colonel in 1997, writes and speaks on defense issues. He contributed this comment to The Washington Post.

1949: Kissing Revival

HUNGERFORD, England — An old village festival was revived here and as a consequence quite a few girls got kissed. The ceremonies, suspended in the war, commemorate the granting to citizens of fishing rights in the Kennet River, 600 years ago. The town clerk started proceedings with blasts from a horn, whereupon a number of men were elected, who received a kissing concession. They got the right to kiss any girl in town. They could even pursue them by ladder through second-story windows if they wanted to. Many did.

1924: Italians Gamble

ROME — The Council of Ministers passed a decree permitting public gambling in Italy. The reasons for this reversal of the decision taken by the Government last year are an outbreak of clandestine gaming houses and the loss of trade experienced by Italian watering places and the Italian Riviera. It has been de-

OPINION/LETTERS

Fighting Unemployment Must Be Japan's Priority

By Robert H. Dugger

TOKYO — Will Japan move from recession to recovery in the new fiscal year, as Tokyo has promised? No, but there are at least grounds for optimism about the Japanese economy.

Corporate and administrative restructuring will gain significant momentum this spring. Mitsubishi Electric Corp.'s recent announcement that it would cut capital spending and lay off 14,500 employees — 10 percent of its work force — is only the latest sign that the trend is taking hold.

The long-awaited transition from "old Japan" to a revitalized, job-creating "new Japan" is unmistakably under way. And reforms undertaken over the past several years — in banking, bankruptcy regulation, accounting and so on — will speed the process.

But getting from old to new will be economically excruciating and could come with a high political price.

Unemployment, now a record 4.6 percent, is set to worsen. About 2 million Japanese workers are now jobless, 4 million more — the "window sitters" — who are hidden unemployed — are waiting in the wings. And as joblessness rises, wages are falling, cutting household incomes by up to 10 percent.

Japan's economy is now shrinking at the rate of 2 percent a year. Layoffs such as Mitsubishi's will only exacerbate this deflationary trend.

This is more than a restructuring slowdown. It risks becoming a restructuring crisis. Changes that should take place over several years could now occur too fast. Business failures could start skyrocketing.

Koichi Kato, a prominent leader in the governing Liberal Democratic Party, recently acknowledged that "there is not much the government can do" about company bankruptcies, and he pointed to rising unemployment as Japan's No. 1 problem. As serious as Kosovo is, Mr. Kato told private analysts last week, Japan sees joblessness — in Europe as well as Japan — as the greatest current threat to global security.

No consensus exists in Japan yet on what to do. But two policies need consideration. Unemployment benefits, beside the point during the high-growth decades, should be increased.

Computer literacy is another key. Japan is the only country in the world with a fiber-optic "information highway" fully in place. It needs to build upon this advantage.

No one is saying that a man who has spent his life pouring concrete will suddenly become a software programmer. No one knows what his future holds. But without time and opportunity, he and his family are on a one-way track to economic agony or worse.

Japan can afford these strategies to fight unemployment. The imperative is to change the approach. Instead of keeping people employed by keeping companies alive with unproductive government handouts, assist the economy in a shift that is already evident.

Old Japan is the one we know best. It is the 70 percent of national output that comes from construction, agriculture, small-time manufacturing and retailing, and it is shrinking by roughly 5 percent a year.

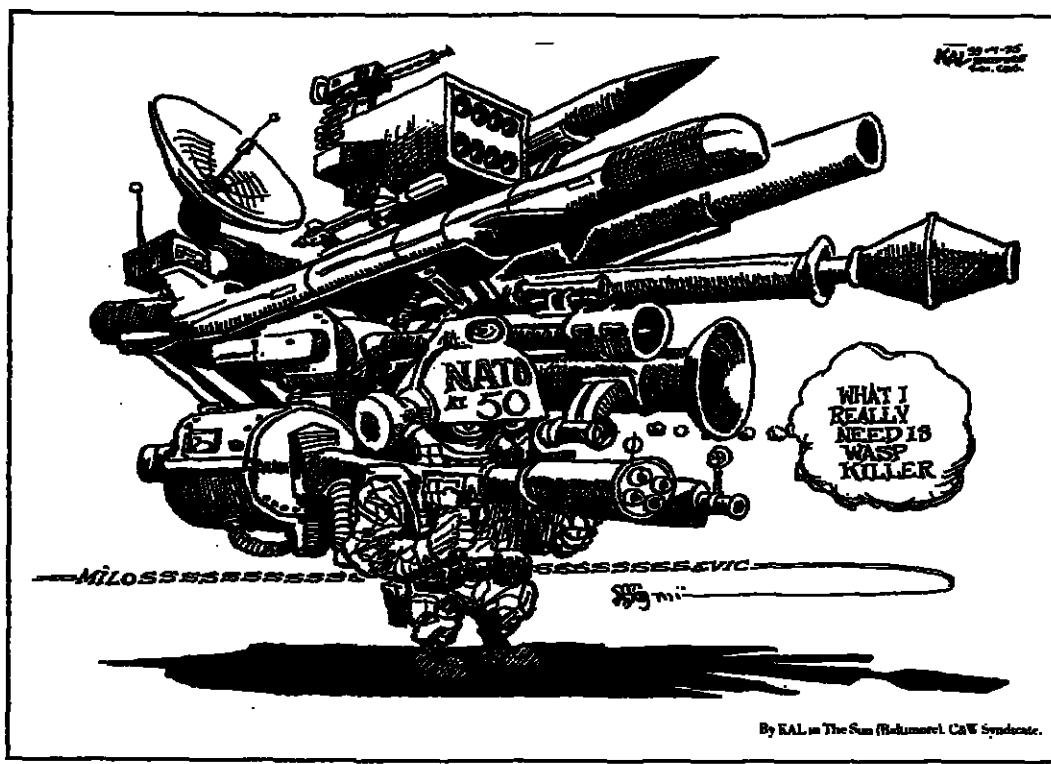
But the new Japan is growing at the same rate. It is represented by the biomedical, aerospace, communications, professional services and high-end manufacturing industries.

When Tokyo's current stimulus program starts falling off this year, contractors and traditional manufacturers will start screaming for subsidies again. This time, the government needs to resist. The focus has to be on enabling workers in dead-end jobs to find productive employment in the new Japan.

How great is the risk of another political crisis? If the past is a guide, that risk is considerable. Prime Minister Ryutaro Hashimoto, who initiated many earlier economic reforms, was forced from office when the economy weakened.

Important turning points in Japanese history are always sharp. What we witness now is another wrenching transition. Only when the new Japan is realized will economic growth return. In the meantime, we have to trust that near-term pain will be balanced by long-term gains.

The writer is managing director of Tudor Investment Corp., a fund management company. He contributed this comment to the International Herald Tribune.



LETTERS TO THE EDITOR

Heroes of Littleton

Regarding "Bravery Amid Mayhem: Heroes Stepped Forward" (April 23):

It is a comfort to know that there are people in the world such as Aaron Hancey and Dave Sanders, who helped others during the shooting in Littleton, Colorado.

What a shame that there aren't any heroes like them in the U.S. Congress: people who are willing to stand up to the National Rifle Association, pass meaningful gun control legislation and put an end to America's senseless violence.

With a few heroes in Congress, people like Mr. Sanders would not have to die for their heroism.

LAURIE VON MELCHNER, Darmstadt, Germany.

Giving Elgin Credit

Regarding "The Essence of Greckness: So Far Away From Home" (Meanwhile, April 15) by Jeff Jacoby:

Mr. Jacoby's view on returning the Elgin Marbles to Greece is no doubt popular. But in making his case, he does no justice to Robert Bruce, the seventh Earl of Elgin; nor does he take into account the forces in play at that time.

Of course, one is compelled to question whether Lord Elgin had

proper authority to remove the marbles from the Parthenon. What Mr. Jacoby fails to mention is that many of the friezes and sculptures left in place by Lord Elgin were subsequently destroyed — some in the very battle of 1821 that he cites.

Lord Elgin's motives were twofold: to preserve the sculptures from the indifference of the ruling Turks and from scavenging tourists, and to encourage and inspire artistic development in England by bringing the sculptures to London.

That today we are afforded the luxury of the debate about where the marbles should be housed is a tribute to his foresight. Moreover, returning great art works of Western civilization to the countries of their origin might set a dangerous precedent. Shall we clean out the Louvre of everything that isn't French? One could argue that artistic masterpieces belong to all mankind, and not just the citizens of their country of origin.

DOUG JONES, Bordeaux.

Enriched Language

Regarding "Even the Queen's English Needs a Bit of Correction" (Meanwhile, April 22) by T.R. Reid:

Most English people would, I

think, agree with Mr. Reid that the standard of English heard in the U.S. media is apparently higher than its equivalent in Britain.

The reason, however, is more complex than a mere deterioration of educational standards. The Queen's English is the result of the political dominance of one part of England, from the Middle Ages onward, over the rest of the country. Had the center of power been in the north or the west, standard English would now be far different.

The fact is that in England, regional dialects are still deeply entrenched, with grammatical forms that vary from those of the Queen's English — such as the widespread use of the double negative, as in "I don't know nothing." Modern British education has often reinforced these variations.

In the rest of the English-speaking world, the evolution of a more homogenized form of the language has not been greatly impeded by ancient dialects, and where English has been accepted as the international language, naturally the standard form has prevailed.

In any case, the survival of dialects and the emergence of new ones are not to be deplored, as from such variations the standard language can often be enriched.

FREDERICK LEES, Rye, England.

In America's New West, The Violence Is Real

By Patricia Nelson Limerick

BOULDER, Colorado — Five years ago, I spent a summer researching the wars between the United States and various Indian peoples. Most of that summer I was an insomniac, waking every night to thoughts of bleeding bodies, fractured bones and internal organs exposed to the air. Here is one of a thousand stories that made each night too long.

During the Modoc War in the Pacific Northwest in 1873, Maurice Fitzgerald, a white trooper in the U.S. Army wrote an account of his experiences. At one

point he had seen a captive Indian woman "begging piteously for her life." Mr. Fitzgerald wrote, "Me no hurt no one, me no fight, she whined."

An officer, hearing her cries, was not moved. Mr. Fitzgerald recorded his reaction: "Is there anyone here who will put that old hag out of the way?" A Pennsylvania Dutchman stepped forward and said, "I'll fix her, lieutenant." He put the muzzle of his carbine to her head and blew it to pieces," Mr. Fitzgerald wrote.

The memory of violence comes in different forms. In one form, the images of flesh being torn and of a life ending block the approach of all other thoughts and feelings. In another, the memory comes and goes, held off by the mind till it comes back with tidal force in unexpected surges.

There is yet another kind of memory that wraps violence in justification and righteousness. While individual misfortune may have occurred, this form of memory insists, it advanced a greater cause — for instance, gaining control of the American continent.

Most peculiar of all is the kind of memory that has taken possession of the history of violence that characterized so much of what happened in the American West in the 19th century. The Alamo, Little Big Horn, Wounded Knee have not been forgotten. They are familiar names, embedded deep in the national memory. They seldom endure as examples of brutality and misery but rather as instances of romance and adventure.

We tend to associate the dead-

ening of feeling and the anesthetizing of historical memory with movies, television and video games. But in the case of the American West, the process dates back much further, to the dime novels and children's games invented more than a century ago.

In this way, some of the most gruesome events in our past have become episodes in the historical theme park known as the Wild West.

Thus, we hear of outlaws and their "gunplay." The tales of the James Boys, Wyatt Earp, Wild Bill Hickok and the gunfight at the O.K. Corral are rendered as colorful, romantic yarns, bloodless and "lie," even as the mess bullets made of human bodies is all but erased from memory.

Does the trivializing of the violence of the Old West cause violence in the New West? Probably not, but I think it has contributed to a much broader contemporary shortfall in compassion, empathy and the capacity to respond seriously to the sufferings of others.

Now there are signs that the anesthetic may be wearing off.

Violent chapters of the Old West endure not as examples of misery but as instances of romance and adventure.

After the school killings in Littleton, Colorado, no one would think of using adjectives such as "adventurous" to describe the latest violent chapter in the American West. No sane person is denying the impact of bullets on human flesh.

In this way, then, if in no other, the reaction to the terrible events in Littleton suggests that contemporary society is not as hopeless as it is made out to be.

The writer, professor of history at the University of Colorado, is chairman of the Center of the American West. She contributed this comment to The New York Times.

BOOKS

THE WORLD THROUGH A MONOCLE

The New Yorker at Midcentury

By Mary F. Corey. 251 pages. \$25.95. Harvard.

Reviewed by Jonathan Yardley

OVER the years a great deal has been written about the New Yorker, far too much of it from within: self-celebratory and self-congratulatory if not outright sating, the most notable (and notorious) example being Brendan Gill's hugely successful "Here at the New Yorker," which more than any other book or article established and institutionalized the myth of the magazine as a quaint and cozy club inhabited by querulous but lovable eccentrics laboring in the cause of literature and the higher journalism.

There was never much truth to this myth, and there cannot possibly be any now, as the New Yorker burches its uneasy way between serious journalism and PR-driven fluff, with scarcely a nod to the literature it once served so valiantly. But not merely did the myth romanticize the truth, it also distracted readers' attention from some of the ways the magazine deserved to be taken seriously, for its contents but also for its significant place in the lives of those readers.

This is exactly what Mary F. Corey accomplishes in "The World Through a Monocle," her excellent and innovative study of the New Yorker during its

halcyon years, the late 1940s and the 1950s. Though Corey writes from an academic vantage point (she is a lecturer in history at UCLA), and looks at it in light of subjects (race, sex, class) fashionable among her colleagues, she grinds none of academia's axes; she is scrupulous, thoughtful and fair.

Her central thesis is that the New Yorker served in this period as "a shopping guide, an atlas and a Bible" for a rearing yearning "to satisfy two sets of feelings, often in conflict with each other: the desire for comfort and the consciousness of national and global ills." These readers, who tended to be liberal but not radical, fancied themselves "an entitled elite suited by taste and intellect to determine the course of government" and culture, yet were haunted by "the most profound peculiarity of the postwar liberal elite — its attempt both to claim privilege and disclaim its undemocratic nature."

Those words appear in Corey's chapter about the magazine's "portraits of domestic servants" — descriptions of a relatively habitual intimacy between upper-middle-class families and the workers who entered their homes as indispensable familiars, yet strangers. Examining the magazine's fiction, non-fiction and cartoons, she conclusively shows that while the readers' "desire to live in a democratic society was genuine, the preeminent need to be served and to demonstrate elite status drew them into hierarchical relationships with

domestics in which the existence of class distinction could not be denied." The ambiguities Corey finds in the New Yorker's presentation of blacks and ethnic Americans will come as no surprise, nor does her interpretation of its attitudes toward McCarthyism and the Cold War. But her chapter on its treatment of women is an eye-opener.

"The War Between Men and Women" (in which, oddly enough, there is no mention of the writer who had most to say on that subject, James Thurber), she argues that, "although the magazine's editorial voice was unapologetically egalitarian and democratic, its short stories and cartoons were charged with a snarling contempt for women." Later she writes: "The New Yorker's enlightened people did indeed reject the view that women were the property of men. They replaced this idea with the notion that men were controlled and dominated by women. This was perhaps the central assumption of the magazine's postwar depictions of upper-middle-class domestic life."

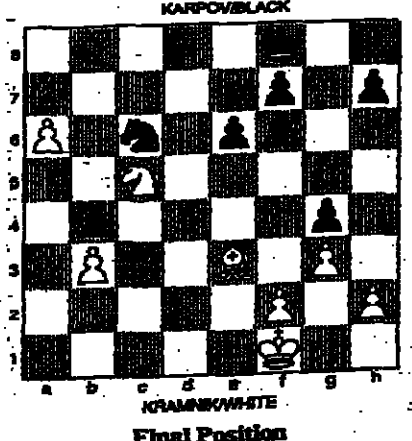
However odd this may seem, it was consistent with the New Yorker's "uncommon capacity to present overlapping and contradictory cultural ideas without apology." Its readers "were riven by doubts about the conflict between an enjoyment of social privilege and the moral cost of such privilege," and the magazine helped them weave their way through this minefield. As the son of two such readers, I know that Corey is right.

Washington Post Service

CHESS

By Robert Byrne

THE Eighth Melody Amber Quick-play Tournament in Monte Carlo, won by Vladimir Kramnik this year, remains the most unusual event on the circuit. Each of the 12 contestants plays two games with every opponent at the rate of all moves in 25 minutes, with a 10-second bonus added for each move. One of the games is played blindfold, or without sight of the board. In this one, the player makes his move with a mouse on an electronic board of otherwise empty squares. The move remains visible for



only a few seconds. Outside of the view of the players, a demonstration board reveals the moves to the referee and the spectators as the game develops.

Kramnik gave a good example of his adaptability in his regular eighth-round game. Confronting Anatoly Karpov, Kramnik gave an impressive imitation of his opponent's famed minimalism.

After 7...d5, an English Opening had transposed into a Queen's Indian Defense. In a Viktor Gavrilov-Zoltan Almasi game, Germany 1998, a different order of moves — 1.Nf3 Nf6 2.d4 e6 3.g3 b6 4.Bg2 Bb7 5.c4 Be7 6.O-O O-O 7.Re1 d5 8.c4 — made the recapitulation with 8...Nd5 wrong because of 9.e4. Nevertheless, after 8...d5 9.Nc3 Na6 10.b3 c5 11.Bb2 Nc7 12.Re1 Ne6, Black had a reasonable position.

After 9.e4, the exchange with 9...Nc3 10.c4 could give Black some problems after 10...Nc6 11.d4 Na5 12.Ne5, preparing 13.d5.

After 13.Nc6 Nc6, Karpov was counting on simplification to produce an adequate defense, but Kramnik created some awkwardness in the black ranks with 14.e5! After 14...Qd1 15.Rd1 Rf8 16.Be3, further simplification with 16...Na5 17.Bb7 Nb7 would not solve Black's problems arising from 18.b4. Thus, 18...a5 19.Rd8 Bd8 20.b5 maintains a slight but annoying positional superiority for White.

QUEEN'S INDIAN DEFENSE			
White	Black	White	Black
Kramnik	Karpov	Kramnik	Karpov
1 Nf3	Nf6	16 Be3	Ra8
2 d4	b5	17 Rd8	Nd8
3 Bg2	c5	18 Nb5	Bg2
4 Bb2	Bb7	19 Kg2	Nc6
5 O-O	O-O	20 Rc1	Ne5
6 Ne1	Be7	21 Na7	Bf8
7 Re1	d5	22 b3	c6
8 c4	Nd5	23 Bc2	Bb8
9 e4	Nb4	24 Ne2	b4
10 d4	c4	25 Nd4	b4
11 Nd4	O-O	26 a4	Nc6
12 e5	Nb5	27 Nb7	g4
13 Nc6	Nc6	28 a5	Nc6
14 Be3	Qd1	29 Kc1	Kf8
15 Rd1	Rd8	30 Ne5	Nc6
		31 a6	Re8

On 17.Rd8, Karpov could not well respond with 17...Rd8 because 18.Nb5! a6 19.Na7! Na7 20.Bb7 will win a decisive pawn.

With 20...Ne5, Karpov made sure that he would not lose a pawn, but after 21.Na7, Kramnik had a potential outside passed pawn on the queen's wing, whereas Karpov's e pawn was ineffective in this endgame.

Karpov's 22...g5 proved to be insufficient, but 22...Ng4 23.Bb6 Bb2 24.Re7 Ba3 25.Nc6! followed by the advance of the b pawn would also be difficult for him to cope with.

After 25...b4, Kramnik ignored the gain of a pawn with 26.ab to set up an even further outside passed pawn with 26.a4! that could not be stopped.

After 31.a6, there was no defense: 31...Ke8 32.Nd3 Kd7 33.a7 wins a piece. Karpov gave up.



DO YOU LIVE IN THE U.K.?

• Subscribe and SAVE up to 53% off the cover price.

• Also available: PAY MONTHLY by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST.

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In Central and Greater London and parts of South East England, the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday.

The result? Unique coverage of the world you live in, brought to you as it changes — daily.

Postal subscriptions are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery

CALL our Subscriber Customer Service Department:

TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS)

or Fax: 0171 987 3459

E-mail: subs@iht.com — Internet: http://www.iht.com

SUBSCRIPTION BY MONTHLY DIRECT DEBIT

☐ YES, I'd like to subscribe and have my bank account debited monthly by £19. Please start my subscription and send me a bank form to arrange my payment.

SUBSCRIPTION BY CHECK OR CREDIT CARD

☐ YES, I'd like to subscribe and pay for the following term:

☐ 12 months (+ 2 months free): £233 (Saving off cover price: 36%)

☐ Special, 2-month trial subscription: £24 (Saving off cover price: 53%)

☐ My check is enclosed (payable to the IHT)

☐ Please charge my:

☐ Access ☐ Amex ☐ Diners

☐ Eurocard ☐ MasterCard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No: _____ Exp: _____

Signature: _____

☐ Please start delivery and send invoice.

Family Name: _____

First Name: _____

Job Title: _____

Mailing Address: ☐ Home ☐ Business

City: _____

Postal Code: _____

Telephone: _____

E-Mail Address: _____

Your VAT No (Business orders only)

(IHT VAT No 747 320 211 26)

☐ I got this copy of the IHT at ☐ kiosk ☐ hotel ☐ airline ☐ other

☐ I do not wish to receive information from other carefully screened companies. UK14

This offer expires on December 31, 1999

and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:

Delphine Prinselaar, International Herald Tribune,

40 Marsh Wall, London E14 9TP.

Fax: 0171 987 3459 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA

Tel: +33 1 41 43 93 61

Fax: +33 1 41 43 92 10

THE AMERICAS

Tel: (USA toll free) 1-800-882-2884

Fax: +1 212 755 8785

ASIA

Tel: +852 29 22 11 71

Fax: +852 29 22 11 99

ps

olis of fabric, ovo Albanian order, a spurt in ople in the past kers say, about th. More than tent cities, and outstripped the

nt," said Paula ice of the UN

0

red

ss agency said Mr. ise of his "public o the government ect of the federal

Serbian leadership defeat NATO and L condition of an- visible fracture" in it "shows the price

Page 10

NDA

s Stance

and Libya

Clinton has eased dicy to allow food s to be sold to Iran, an, officials said

resents a softening three countries the us long viewed as rism and export- Page 10.

n U.S. Beef

Union said Wed- ould ban U.S. beef e 15 unless Wash- e meat had no hormones. Page 11.

Page 7.

Page 5.

Pages 6-7.

Pages 18-19.

www.iht.com

The Vision of a Bride and the Interpreters of Dreams

By Suzy Menkes
International Herald Tribune

PARIS — Another royal wedding might sound like the triumph of hope over experience. Yet Queen Elizabeth's youngest son, Edward, marries the Diana look-alike Sophie Rhys-Jones next month, after a five-year courtship.

The modern-day, working, live-in couple will tie the knot on June 19 at Windsor Castle's private chapel, and although it is billed as a low-key affair, one ceremonial is certain: The bride will wear a long white gown, a veil (if not necessarily a tiara) and carry a bouquet of flowers.

In other words, she will dress like every other young woman in the Western world who stubbornly refuses to banish a tradition established when virginity and submission, rather than freedom and equality, was the message.

Women in the public eye seldom wed in streamlined pantsuits, swooshing floor-length trench coats or cuddly Aran Island sweater dresses. But all those

propositions have been put forward by fashion designers who experiment with the wedding outfit that traditionally ends each show. A white roll-neck sweater, elongated to mid-calf, with cute kids as identically clad bridesmaids, even opened last month's presentation from Ines de la Fressange.

A blissful couple in cable knitwear, sharing a white duvet as their bridal veil, was on offer from Jean Paul Gaultier. And this cozy cocooning is not even new: Yves Saint Laurent created a Russian doll outfit in bobby knit, threaded with satin ribbons, back in 1965.

But does any of this fit with how women want to look on the big day? Even rock stars (like Spice Girl Victoria Adams, who will marry her soccer star fiancé David Beckham this summer in Ireland) are unlikely to show up in padded, white-leather motocross pants under a crinoline skirt (as envisaged by Alexander McQueen for Givenchy).

A wedding dress is one woman's dream of being center stage, as though it were theater or ballet," says Christian Lacroix, whose couture house does

dozens of made-to-order wedding dresses, often adapted from show-stopping evening gowns.

Anne Zazzo, curator of a challenging new exhibition at the Musee Galliera in Paris, also believes that the wedding dress is a costume.

"All the young girls I met wanted to be the heroine of their own dreams, a princess or a cinema star," says Zazzo. "In fact, what they were looking for was a costume — something removed from everyday life."

Wedding clothes are a familiar exhibition subject, but "Le Mariage, une Histoire Couse de Fil Blanc" (Wedding History Sewn in White Thread), until Aug. 29, aims to reduce the sugar content and pose some questions.

Why white? Because the color is not just a symbol of purity and sexual innocence, but also creates a link in the Christian life-cycle that goes from christening gown, through First Communion, confirmation and ultimately to the funeral shroud.

A bride placing her wedding bouquet on a family grave at the start of the show. And so does the lay-out of entwined circles, in which ghostly mannequins with shrouded faces are picked out in pools of light beneath the museum's high painted ceiling.

These circles represent both wedding rings and the cradle-to-grave circuit, Zazzo explains. She says that although wedding finery goes back for centuries, the white wedding is a relatively recent invention, a symbol of Christian and bourgeois values taking over from dynastic unions celebrated with princely pomp.

Orange blossom headdresses molded from wax flowers, crinolines with corseted bodices and a pink-cheeked Victorian wax doll with a row of frothy white underclothes as her trousseau sum up the idealized bridal image. In fact, a 1989 Barbie doll, dressed in flower-scattered, full-skirted gown by Nina Ricci, proves how little the Cinderella bridal visions of little girls have changed in 100 years.

The couture wedding dress is celebrated with sumptuous creations: lacy appliques and a Juliet cap from Moulineux in the 1930s; a sculpted silhouette from Balenciaga in 1958; a short, sharp dress and white boots from the space age 1960s, and a return to romance with timeless evening gowns, converted to bridal, from Dior's John Galiano, Lacroix and Emanuel Ungaro.

Smart brides did their own makeovers, shown by a 1952 Schiaparelli wedding dress alongside a cocktail dress cut out of its train.

Brides in movies, playing on video screens, pick up another fascinating theme: the influence of women we longed to look like — although how many brides really copied Brigitte Bardot's 1958 wedding dress in sugar-pink gingham check?

MARRIAGES are inevitably touched by fashion, and so current styles incorporate gauzy fabrics and slender cut. From Lolita Lempicka in Paris through Vera Wang in New York, there are designers who specialize in customized wedding gowns that interpret clients' dreams.

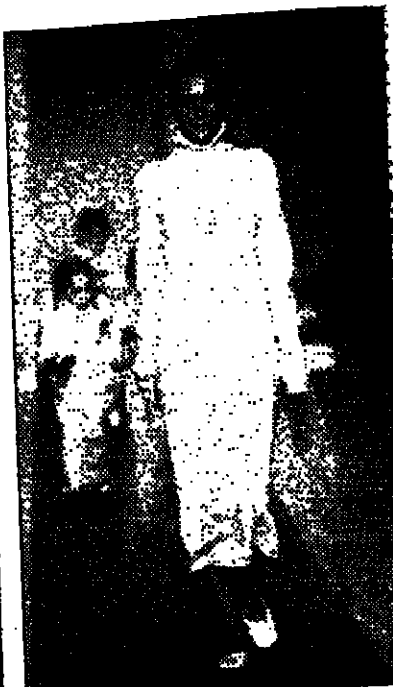
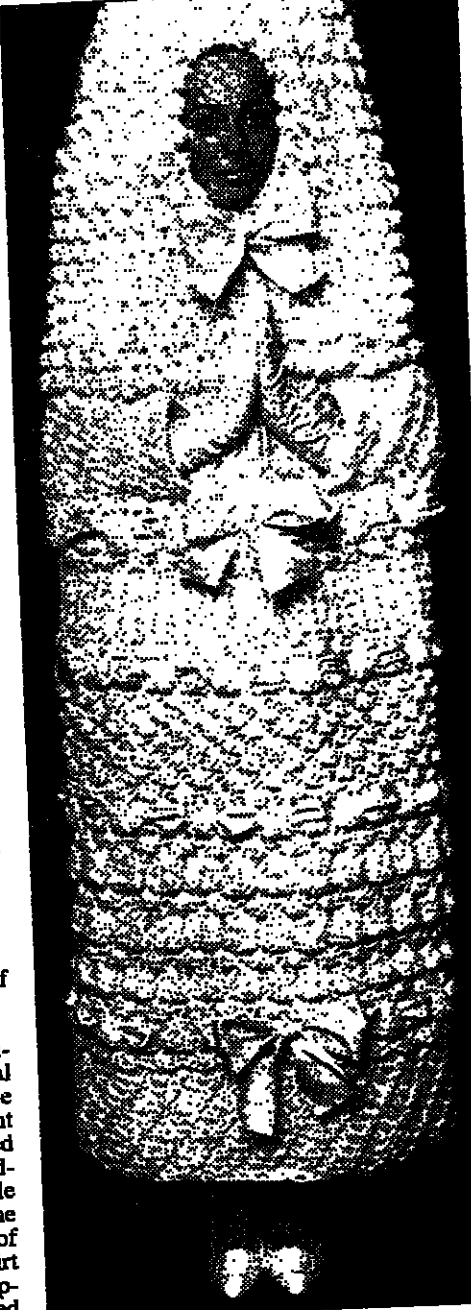
But left to their own fantasies, fashion designers often persist in making fun of the bridal outfit with irreverent ideas. One funky version is Paco Rabanne's do-it-yourself plastic chain-mail wedding dress that comes in a flat pack, complete with rivets.

Zazzo is convinced that what she calls the "derisory" versions of the wedding dress sent out since the 1960s, are a direct reflection of the discounting of virginity as the elemental feature of a bride. Instead of the pure white cotton Victorian dress shown beside a missal, Claude Montana's 1979 bright red bridal outfit symbolizes the arrival at the altar of the scarlet woman.

But even if some designers view brides with a cynical air, their challenge is to create a dress that is modern, yet romantic. Yohji Yamamoto devoted his charming summer collection (on video at the exhibition) to outfits that transformed the wearer by removing full



Leonard's wedding gown in Japanese rice paper, above; Saint Laurent's 1965 Russian-doll knitted cocoon with satin ribbons, right; sweater dress for bride and bridesmaids from Ines de la Fressange, and wedding headdress and coiffure from 1829 engraving.

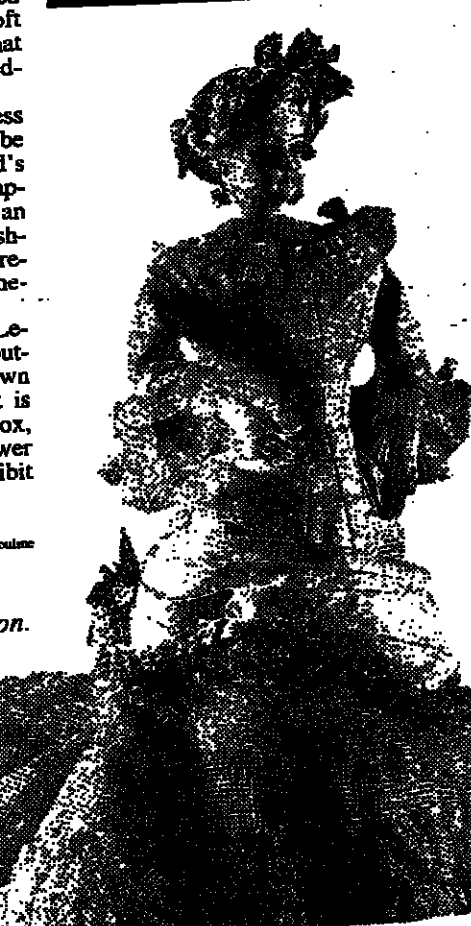


skirts or pulling accessories out of pockets.

THIS play on dressing and undressing — part of the nuptial ritual for centuries — is one innovative facet of current bridal wear. Christian Lacroix created for Ines de la Fressange's own wedding in 1990 a dress with a removable pouf. That was a precursor of the transformable four-piece outfit of jacket, tunic, lace pants and ball skirt that he has now designed for Pronuptia. Lacroix has also introduced touches of color, especially the soft pastels of the sugared almonds that are a ritual part of a French wedding.

If you are going to wear your dress for only one day, why shouldn't it be designed as ephemeral? Leonard's bridal gown made entirely from Japanese rice paper would have been an ideal piece to include in "Pulp Fashion," the sale of fashion artifacts created with or printed on paper at Sotheby's in New York on May 3.

But who could imagine that Leonard's papery gown, with its butterfly wing layers, would be thrown out with the garbage? Never! It is destined to be laid ritually in its box, along with satin pumps and flower petals, ready for a museum exhibit 100 years on.



Victorian wax doll and Nina Ricci's 1989 look for Barbie, from Musee Galliera exhibition.



Christian Lacroix's transformable four-piece bridal outfit for Pronuptia, above, includes skirt over lace pants. Yohji Yamamoto translated the nuptial ritual of dress and undress into his summer fashion show.



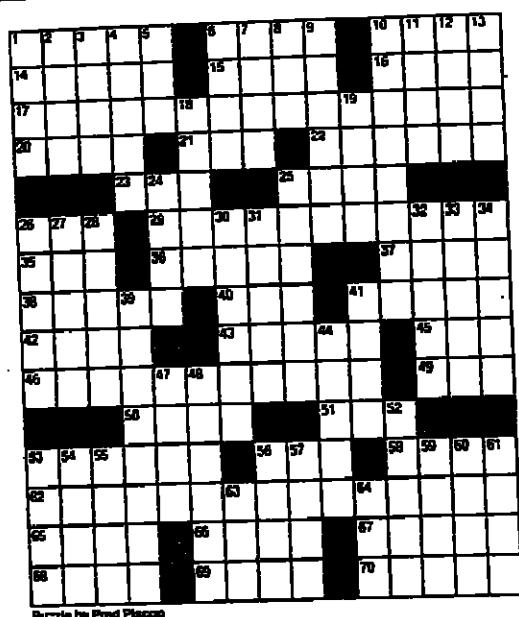
CROSSWORD

ACROSS

- 1 Back tooth
- 6 Clash of clans
- 10 Coal-rich German region
- 14 Pueblo home
- 15 Bullets
- 16 Disassemble
- 17 Traveler's purchase, maybe
- 20 Art Deco notable
- 21 Not "neath"
- 22 Draws with acid
- 23 Hamelin center
- 25 What's more
- 26 Playwright Burrows
- 29 Workshop machine
- 30 Soap brand since 1899
- 32 Projector items
- 37 Raines of filmdom
- 38 Slightest evidence
- 40 Camp sight
- 41 Einstein
- 42 Eyebrow shape
- 43 Skyfit course
- 46 "been hard"
- 48 Disappearing communication device
- 49 Nancy Drew's beau
- 50 Inlets
- 51 Major defense corp.
- 52 Spending spot
- 53 Prospector's find
- 55 Way out there
- 62 NASA scientist's concern
- 63 Capture electronically
- 65 Obey
- 67 Where Goodyear's headquarters are
- 68 Puppeteer Tony
- 69 Part of A.D.
- 70 French river to the English Channel

DOWN

- 1 Stallion's mate
- 2 Poteca's defense
- 3 Cat
- 4 One of the Yolkies
- 5 Chilly player
- 6 Hack's customer
- 7 Kuwaiti bagwig
- 8 Diamond authority
- 9 "Go on!"
- 10 Giver of relief
- 11 Egyptian cross
- 12 "Zip—Ooo—Dah"
- 13 Goes to waste
- 18 Comic Fields
- 19 "—wrap!"
- 24 Vineyard measure
- 25 The Prussian War (1866 conflict)
- 26 Wedding site
- 27 Pack animal
- 28 Right on
- 30 Summaries
- 31 Linen or denim
- 32 Assassinated
- 33 Still in the game
- 34 Tapered off
- 39 Explorer's activity
- 41 30's boxing champ Max Baucus
- 42 Silicon Valley giant
- 47 Run amok
- 48 Popular motorcycle
- 49 Nutsie
- 50 Order (ground)
- 51 Killer whale
- 52 Skier's transport
- 53 Baker's need



© New York Times/Edited by Will Shortz

Internet address:
<http://www.int.com>

The High-Octane Liz Tilberis

By Suzy Menkes
International Herald Tribune

PARIS — "Funny Face" has printed indelibly on popular imagination what a fashion editor should be — an impeccably dressed drama queen, prone to grand gestures and to pronouncements like "Think Pink."

The 1956 movie, starring Audrey Hepburn and Fred Astaire on a fashion shoot in Gay Paree, modeled its editor on the legendary Diana Vreeland, another template for the editor-as-diva.

It is hard to imagine Liz Tilberis exhorting her readers to "Think Pink." The editor of Harper's Bazaar, who lost her battle with cancer last week, had too much humor and too highly developed a sense of English irony to style herself as a fashion grande dame.

With her open face, friendly smile and eager team spirit, she resembled more a head teacher of an all-girls-together school. It was not until the cancer reduced her sturdy frame ("At last I look good in Chanel!" she said cheerily) that she resembled a pin-thin model to be snapped by her favorite photographer, Patrick Demarchelier.

But like her good friend Diana, Princess of Wales, who became the magazine's most famous cover girl, there was more to Liz than met the eye. Obituaries have stressed the steel in her character that enabled her to fight her



Liz Tilberis, editor in chief of Harper's Bazaar.

Her fashion life was mapped out at British Vogue, where the lyrical pictures she styled suggest a romantic vision that was quintessentially English.

That put into context her dream of making Harper's "the most beautiful fashion magazine in the world."

The jolly manner in which she cajoled and firmly ruled her team was undoubtedly absorbed from working with Beatrix Miller, long-serving editor at British Vogue through the 1960s and 1970s, who patiently brought out the best in all her "girls" — mostly upper-class women whose parents treated the magazine like a finishing school.

Cancer brought out the best in Liz. She was a fast learner and a good teacher, and the way she turned her illness into a mission to educate and inform other women is her finest legacy. She spoke publicly about her health and wrote a best-selling, straight-talking book that also celebrated the star-studded life that she had made for herself in New York. In the magazine, she produced a similar mix of high-octane glamour with down-to-earth advice and information.

I will miss the witty asides she would make when we were neighbors at fashion shows.

"Are we ready for guru chic?" she inquired after scanning spiritual psycho-babble in the program at a Donna Karan show. We weren't ready for her discreet exit.

Revived Apple Hails the PC

Firm's Hardware Chief Puts Little Faith in Gadgets

By John Markoff
New York Times Service

CUPERTINO, California — Ask Jon Rubinstein, the man in charge of hardware at Apple Computer Inc., about the supposedly imminent "post-PC era," and he answers like someone who works for Microsoft Corp. or Intel Corp., the twin pillars of the personal-computer industry. Though it has become fashionable to say that the PC era is waning and the future of computing lies in a burgeoning assortment of wired and wireless hand-held consumer-electronics gizmos, Mr. Rubinstein is still a true believer in powerful, full-featured personal computers. "Yes, there will be appliances out there," he said, "but if you look at the PC, it's still in its infancy. I keep hearing that the PC is dead but when I look at the next couple of years, that's not what I see at all."

style," said Charles Wolf, a Wall Street analyst at Warburg Dillon Read. "It's amazing that nobody on the PC side gets it."

To the outside world, Apple's charismatic co-founder, Steve Jobs, gets much of the public credit for what is certainly one of the most remarkable turnarounds in U.S. corporate history.

But the secret to Mr. Jobs's successful return to Apple is the small manufacturing and design team and the highly disciplined engineering process that Mr. Rubinstein has quietly put in place during the past two years.

It is this team that is responsible for the popular iMac machines that Apple began shipping last August, for the critically acclaimed G3 desktop and portable machines that updated Apple's moribund Macintosh and PowerBook lines, and for a new, low-priced portable to be introduced in the next few months.

"The Apple you and I knew two years ago is dead," said Andrew Gore, editor in chief of Macworld, the trade magazine that tracks Apple more closely than any other publication. "It's a completely different company."

Perhaps it was all part of a secret plan by Mr. Jobs to recapture Apple, Gilbert Amelio, who was briefly chairman, wondered in print, after he had been ousted by a board that brought Mr. Jobs back to run the company temporarily — an arrangement that has continued for 20 months and counting.

"That would be news to me," Mr. Rubinstein said of the conspiracy theory.

From a highly disorganized company, where as many as four independent engineering teams might work simultaneously to design the same computer, Apple is now working on a dozen projects using cooperating, interdisciplinary



Jon Rubinstein, second from right, with members of the iMac design and production team he oversaw, is certain there is a strong future for full-featured personal computers.

teams — using what Mr. Rubinstein refers to as a "fast-track design." The approach puts many parts of the design process in parallel, speeding the time to market.

"I look at this as having a bag of technology tricks, and at the appropriate time I bring them out and put them in our products," he said. "And we have more in our bag of tricks."

If Mr. Rubinstein's team is more efficient than Apple's earlier hardware groups, it is also a remarkably more insular and frequently secret-

ive organization — perhaps the clearest break from the former Apple Computer, which was so porous that it was known in some circles as "a ship that leaks from the top."

There are those outside Apple who are skeptical about the company's resurgence. They note that with the exception of the iMac, which has found a market in both first-time computer users and former owners of Microsoft-Intel PCs, Apple is still selling to a core group of customers devoted to the Apple Macintosh legacy.

Airbus Battles Boeing With Small Plane

By Tom Buerkle
International Herald Tribune

LONDON — Airbus Industrie turned up the heat on Boeing Co. on Monday by introducing its smallest aircraft yet, the A318, putting the two companies into head-to-head competition in the market for regional jetliners carrying about 100 passengers.

The modest number of initial orders for the A318, however, indicated that the four-nation Airbus consortium was having difficulty getting airlines to commit to its new jet. Boeing also has struggled to win orders for its competing 717, and both companies were expected to market their offerings aggressively ahead of the Paris Air Show in June.

Airbus said Air France had ordered 15 A318s and placed options on a further 10 and that EgyptAir had ordered three A318s. Those deals, combined with orders late last year for 80 aircraft from Trans World Airlines Inc. and International Lease Finance Corp., provided sufficient commitments for Airbus to give the go-ahead to production.

Airbus is making a late entry into the regional market. The first A318s will not be delivered until late 2002. Boeing's 717 made its first test flight in February, and deliveries are due to start this year.

But Airbus hopes to win orders on the strength of the cockpit shared by the A318 and its popular A320 family of aircraft, which seat between 123 and 184 passengers. Northwest Airlines Corp. and Air Canada both operate A320s and are seeking 100-seat replacements for their aging fleet of DC-9 jets.

For its part, Boeing has won only 115 orders for its 717 from two U.S. airlines, TWA and AirTran Airways, and two small leasing companies. The 717 is the only civilian program of the former McDonnell Douglas Corp. that Boeing has retained since it acquired McDonnell in 1997. With Boeing struggling to restore profitability in its civilian aircraft business, many analysts say that the company might cancel the 717 unless it starts winning more orders soon.

"If Boeing fails to convert interest into firm orders at the Paris Air Show, then the impetus of the program is going to be severely dented," said Chris Avery, an aerospace analyst at Paribas. Still, both Airbus and Boeing are optimistic about the potential market. Airbus estimates the global market for 100-seat jets at 1,300 over the next 20 years, while Boeing estimates that airlines will order about 2,500 jets of comparable size during that period.

Bankers See Easing of Crisis, but New Risks, for Emerging Markets

By Paul Blustein
Washington Post Service

WASHINGTON — The global financial crisis is easing, but investors and lenders are unlikely to put more money into emerging markets this year than they did in 1998, according to a leading organization of international banks and investment firms.

The Institute of International Finance, which represents major private financial institutions investing in emerging markets, also warns that investors will become even more skittish

about putting money into emerging markets if the global financial system is changed so that it becomes easier for countries in crisis to pay less than they owe on their bonds.

Such changes in the system are being considered during the spring meetings of the International Monetary Fund and the World Bank this week in Washington.

The investment forecast by the Washington-based institute comes amid powerful rallies in the stock markets and currencies of several crisis-stricken countries, notably South Korea and Brazil.

"It appears that market sentiment has improved," said John Bond, the chairman of the institute and chairman of HSBC Holdings PLC. Nevertheless, he added, "confidence remains fragile" and "private capital flows to emerging markets are modest."

In its semiannual forecast of the amount of bank loans, stock purchases and other forms of international investments, the institute predicted that a net \$141 billion would flow to emerging markets this year, down slightly from \$143 billion last year, but off sharply from the record \$328 billion in 1996.

The institute predicted that net flows into emerging-market stocks would recover to \$21 billion from \$2.4 billion last year. Net flows into emerging-market bonds will decline to \$28 billion from \$49 billion, however, and banks will withdraw a net \$29 billion, even more than the \$11.8 billion they withdrew last year, the group said. Direct investment flows — money invested in factories and machinery — will drop to a net \$103 billion, from \$120 billion, it added.

Bankers and other private-sector representatives at a press conference or-

ganized by the institute voiced concern that emerging markets could suffer even more from lack of private capital if the IMF and other policy-setting bodies became more tolerant of countries failing to pay what they owe on their bonds.

Their remarks were aimed at proposals by Robert Rubin, the U.S. Treasury Secretary, and other policymakers in the Group of Seven major industrial countries, who are looking for ways to avoid bailing out international bondholders when crises arise and to force them to bear the consequences of reckless investing decisions.

Thinking Ahead / Commentary

WTO Needs Chief With People Skills

By Reginald Dale
International Herald Tribune

WASHINGTON — It is not easy to find the right people to fill the top posts at major world organizations. All too often, the selection process degenerates into a bitter international slugging match, with the choice dictated by horse-trading among governments or by a candidate's nationality.

Four years ago, members of the fledgling World Trade Organization in Geneva spent nine months in an undignified and damaging wrangle before naming Renato Ruggiero of Italy the first director-general of the organization. That time the WTO was lucky. Mr. Ruggiero has led the WTO ably and energetically through its crucial teething period.

Now, however, despite pledges to do better next time, the WTO's member governments have allowed the race to succeed him to become increasingly nasty and disruptive. With Mr. Ruggiero due to retire at the end of April, governments have little time left to choose the right successor. It is urgent that they do so.

After six months of squabbling and indecision, the contest has narrowed to a neck-and-neck race between the two remaining candidates, Supachai Panitchpakdi, the deputy prime minister and commerce minister of Thailand, and Mike Moore, a former prime minister and trade minister of New Zealand.

Both men have qualifications for the job. Mr. Supachai is a respected economist with considerable experience in trade negotiations, at the Asian and world levels. Mr. Moore, a self-made man with a strong labor union background, is a passionate free-trade advocate who helped to transform New Zealand from a protectionist backwater into a humming free-market economy.

The question is, of course, this: Which man has the skills and personal qualities better suited to the difficult and delicate task of keeping the world trade system on track?

Chief among the requirements is an ability to communicate, to broker compromises and to knock heads together when necessary. In other words, more than theoretical knowledge, the job demands "people skills" and a deft political touch.

Mr. Supachai did not do his case any good at a recent conference of top trade experts in Switzerland, at which he

delivered a rambling after-dinner speech on the global economy that lasted nearly an hour and a half. By the end, a number of his listeners seemed to have fallen asleep.

Boring speeches, of course, are not unusual in the world of international economics. But if the performance that night was a typical reflection of Mr. Supachai's communications skills, he could have a problem running the WTO. Even some of his Asian supporters say they find his presentations unfocused and academic.

Concerns have also been raised by the divisive campaign style of some of Mr. Supachai's supporters, who have sought to turn the race into a North-South contest between industrial and developing countries, with Mr. Supachai as the champion of the poorer nations.

A clumsy attempt by Sir Leon Brittan, the European Union trade commissioner, to corral all the EU countries into Mr. Supachai's camp has backfired, turning France, which was par-

ticularly enraged, into a leading advocate for Mr. Moore. Other EU countries, including Germany and Italy, now also back the New Zealander, as does the United States.

Some EU countries, including Britain, have supported Mr. Supachai, largely, they say, because the job should go to someone from a developing country. But Mr. Moore also has strong support from developing countries, especially in Africa and Latin America — and it would be wonderful if WTO governments could make a decision on merit rather than on the basis of a regional or political preference.

Mr. Moore, sometimes dubbed "Mad Mike," is perhaps not an ideal candidate either. Bubbling with sometimes eccentric-sounding ideas, he is treated by his parliamentary colleagues with a "confusing mixture of amusement and respect," according to one New Zealand newspaper.

But Mr. Moore is the better qualified candidate for the job. He has a natural instinct for politics and the kind of communication skills that the technocratic Mr. Supachai appears to lack.

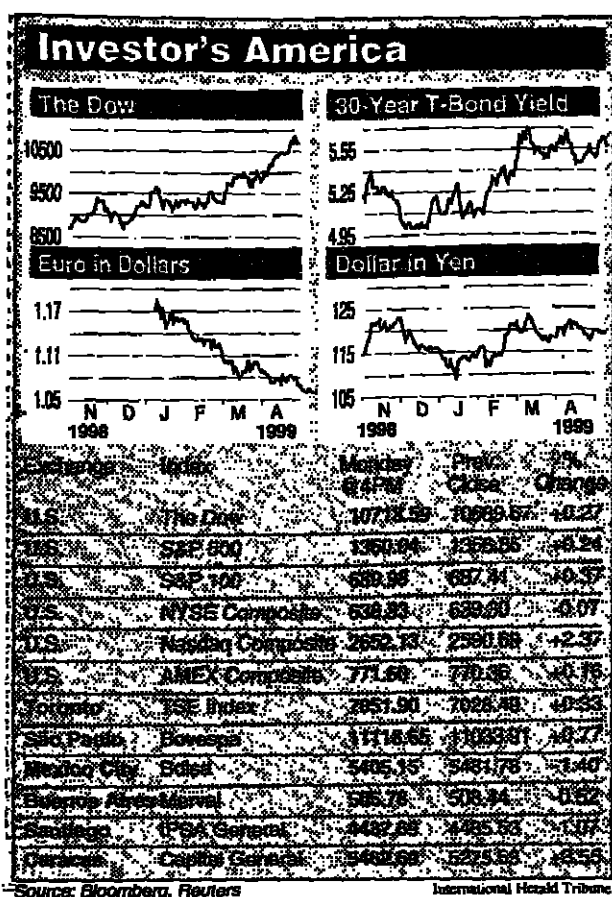
With serious trade disputes still simmering between the EU and the United States, the two largest trading blocs in the world, and a new round of multilateral trade negotiations due to be started in November in Seattle, this is no time to leave the WTO without a leader. Member governments should end the agony and appoint Mr. Moore forthwith.

E-mail address: Thinkahead@iht.com

CURRENCY RATES

April 26									
Cross Rates					Other Dollar Values				
	\$	£	SF	Yen	CS	Deno	Greek	Soviet	
London (a)	1.6129	2.4284	191.86	238.82	11.3072	496.22	13.5335		
New York (b)	1.6121	2.4285	119.27	1.476	7.0067	309.24	8.272		
Tokyo	119.15	192.44	78.80	80.74	16.98	N.Q.	14.18		
Toronto	1.4789	2.2709	0.9746	1.2374	0.2102	0.4788	0.1757		
Zurich	1.5134	2.439	1.2705	1.0233	21.553	0.4914	0.1801		
One euro	1.6614	0.6569	1.6027	126.22	1.5699	7.4336	236.40	8.9945	
One SDR	1.3533	0.8377	2.839	161.513	1.998	9.4571	415.10	11.2897	
Euro Values									
Final rates of the EMU member countries, for one euro:									
Austria schilling	13.7603								
Belgium franc	40.3399								
Denmark krone	6.55957								
French franc	6.55957								
German mark	1.93627								
Italy lira	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								
Finland markka	5.94573								
Greece drachma	200.482								
Spain peseta	166.386								
Portugal escudo	200.482								

THE AMERICAS



Very briefly:

- Southwest Gas Corp. agreed to be acquired by Oneok Inc. in a cash deal valued at \$1.8 billion, or \$30 a share, including assumed debt. Southwest Gas shares rose 56.25 cents to close at \$28.1875.
- Brazil's economic decline this year will be less severe than the International Monetary Fund predicted, the country's central bank chief said. Arnaldo Fraga said Brazil's economy would contract 2 percent this year, compared with a 3.8 percent contraction predicted by the IMF.
- Bankers Trust Corp., which is being acquired by Deutsche Bank AG of Germany this quarter, posted first-quarter profit of \$140 million, down 37 percent from a year earlier, as profit from investment banking fell.
- Union Carbide Corp.'s first-quarter net income fell 64 percent, to \$51 million, as declining prices and rising raw-materials costs led to losses in its basic-chemicals unit. Sales slipped to \$1.40 billion from \$1.56 billion a year earlier.
- Read-Rite Corp. plans to cut 2,500 workers, or 14 percent of its global work force, as the No. 1 maker of recording heads used in computer disk drives grapples with falling prices and sales.

Can AT&T Digest All It's Eating?

It Faces Management, Regulatory and Technology Issues

By Seth Schiesel
New York Times Service

NEW YORK — Just when you thought Michael Armstrong, AT&T Corp.'s chairman of 18 months, could not possibly bite off another big deal, he does just that. Last week's casualty may have been Comcast Corp., the big cable television operator. Just when it looked as if AT&T had settled down to manage its own \$31.8 billion acquisition of Tele-Communications Inc., the second-biggest U.S. cable carrier, Mr. Armstrong swam into the middle of Comcast's pending \$53 billion purchase of MediaOne Group Inc. and roiled the waters with an unsolicited bid of \$58 billion for MediaOne.

MediaOne executives have not yet publicly responded but many analysts say that AT&T, with its superior financial power, will score off Comcast and win MediaOne — if regulators allow it. That would make AT&T the No. 1 cable television company in the United States, in addition to the nation's No. 1 long-distance telephone carrier.

But AT&T may have a tough time digesting everything it has tried to swallow. The main question for AT&T now is whether its appetite has exceeded its ability to integrate its businesses into the lean yet powerful communications machine that Mr. Armstrong wants AT&T to become. As Mr. Armstrong propels

AT&T headlong into the future he has envisioned, the company faces mounting challenges — not only of management and strategy, but also of regulation and technology.

It is clear by now that AT&T is terrified of the prospect of at least one of the local Bell phone companies, probably Bell Atlantic Corp., being poised to win regulatory approval to enter AT&T's core long-distance business this year.

By way of a harbinger, AT&T is well aware of what happened in Connecticut after the Southern New England Telecommunications Corp., which did not need special approval, began offering long-distance service to Southern New England's local phone customers. Large numbers of Connecticut customers dropped long-distance service from AT&T, among others, to take a single package of local and long distance from SNET.

AT&T's strategic planners hate to contemplate the millions of local phone customers who might drop AT&T phone service once Bell Atlantic is freed to offer long-distance service to customers along the Eastern Seaboard, or even just in New York. It is a much bigger worry for AT&T than for its principal long-distance rivals, MCI Worldcom Inc. and Sprint Corp., because AT&T derives a much higher proportion of its long-distance revenue from residential con-

sumers than MCI and Sprint do. Mr. Armstrong has decided that the solution is to counter-attack the Bells by taking the war to a new front — off the conventional local telephone network and onto cable TV systems. Through those cable lines, AT&T intends to offer local and long-distance calling, as well as Internet service.

It will probably take a few years to determine whether that strategy is visionary or foolhardy. AT&T would like to offer its cable-based services using a variant of Internet technology. Because this is a largely experimental approach, it poses large technical challenges. It may, however, prove easier in MCI areas, because MediaOne's network is generally more technically advanced.

The cable strategy also raises management questions. AT&T is well practiced in telephone-network technology, but linking so much of its future to cable television networks means the company needs to rely on experts from outside the AT&T tradition.

EU to Give Green Light
The European Union's top antitrust regulator said Monday that he expected to be able to clear the proposed acquisition of MediaOne Group by AT&T despite concerns about its impact on the British market. The Associated Press reported from Brussels.

Nasdaq Hits a Record On Rally in Tech Sector

Compiled by Our Staff From Dispatches

NEW YORK — Strength in technology shares took the Nasdaq composite index to a record Monday, extending a strong rebound from the previous week's 5.6 percent plunge. But blue-chip stocks nudged higher.

The technology rally took its strength mostly from industry reports that first-quarter shipments of personal computers rose more than expected. International Data Corp. said worldwide shipments of personal computers rose 19 percent in the first quarter from a year earlier, to 24.5 million. Dataquest, another market-research firm, said shipments rose 17 percent, to 25 million.

There were a lot of people who thought that PC sales were doing very poorly," said Marc Klee of John Hancock Global Technology Fund in Garden City, New York. "When the numbers actually came out, it was a pretty decent quarter."

The Nasdaq closed 61.35 points higher, or 2.4 percent, at 2,652.04, taking out its previous record of 2,598.81 set April 12.

The Dow Jones industrial average ended 28.92 points higher at 10,718.59, and the Standard & Poor's 500 index was up 3.19 points at 1,360.04.

Continuing a shift that started last week, investors were showing less interest in shares of economically sen-

sitive companies. Those cyclical shares were briefly popular because they were viewed as a bargain by investors. But buyers were again looking for "growth" stocks, or shares of companies such as technology concerns that may have not yet hit their stride in earnings but that are expected to show good results in the future.

Shares in International Business Machines were still getting a boost from last week's profit report; its stock was up 10 1/8 at 209 1/2.

Merck was down 1 1/4 at 74 after analysts expressed concern about the drugmaker's expiring patents. On Friday, Merck reported first-quarter earnings that were in line with expectations, but mostly because of a restructuring of its joint venture with Astra AB.

Microsoft, the biggest maker of software for PCs, gained 2 to 88, and Dell rose 1 1/2 to 44 1/2.

Ebay rose 3 1/4 to 209. America Online rose 1 1/4 to 160 1/4, leading the S&P's advances. On Wednesday, AOL, the world's largest on-line service, is expected to report a profit for its third quarter, reversing a loss in the year-earlier quarter.

Priceline.com rose 3 1/4 to 120 1/4. The company, whose Internet site allows users to bid for airline tickets, hotel rooms and other services, said it served more than a million consumers in its first year.

The price of the 30-year Treasury bond rose 9/32 point to 95 11/32, taking the yield down to 5.57 percent from 5.59 percent. (AP, Bloomberg)

Dollar Falls Despite Japan's Comments

Continued from Page 1

NEW YORK — The dollar retreated against the yen Monday after climbing briefly on comments from Finance Minister Kiichi Miyazawa of Japan, who said he saw no need to spend more to pull Japan out of recession.

The yen rose in early trading on hope that a meeting in Washington of officials from the Group of Seven industrial nations would press Japan to step up efforts to jolt its economy out of an eight-year slump.

But, speaking after meeting with U.S. Treasury Secretary Robert Rubin, Mr. Miyazawa said he did not think it was necessary to spend more to stimulate the economy. He added, "The yen-

dollar rate seems to have settled down at an appropriate level."

Without more economic incentives, however, the next few months will "make more clear

the severity of the situation" in Japan, said Giorgio Zoella, a treasury vice president at Banca Popolare di Milano. "That should translate into a weaker yen."

The dollar was at 119.27 yen in 4 P.M. trading, compared with 119.38 yen Friday in New York. The euro fell against the dollar, trading at \$1.0585, down from \$1.0615, after Finance Minister Hans Eichel of Germany and the Bundesbank president, Hans

Tietmeyer, said they were not worried about the decline of the single currency.

"The current level of the euro-dollar rate is not a problem," Mr. Tietmeyer said before the G-7 meeting. His comments were echoed by Mr. Eichel.

But Mr. Tietmeyer added: "We must be very careful that there is no erosion of confidence in the euro. Any negligence would be totally out of place."

He also said monetary conditions were in place for an economic recovery in the euro zone. Against other currencies, the dollar was at 1.5195 Swiss francs, up from 1.5095 francs. The pound was at \$1.6120, down from \$1.6157. (Bloomberg, AP)

CHINA: Lack of Profit Turns Off Investors

Continued from Page 1

country, many "probably need to be making a profit in order to stay in this market, and need to make a profit in the next three to five years," he said.

Chinese membership in the World Trade Organization could ease the companies' efforts by streamlining rules and tariffs.

But Beijing and Washington have been unsuccessful in negotiating terms for China's entry this year. China announced a 9.5 percent drop last month in foreign direct investment for the first two months of this year, a sharp reversal for a country that analysts have praised for avoiding the pitfalls of the Asian economic crisis.

Part of the slowdown in investment is undoubtedly because overseas investors across Asia have had to prop up their

own businesses at the expense of investing in China.

But part of the reason other companies fail, according to the study as well as some analysts, is that the companies themselves have climbed over one another to rush into a market they were poorly prepared to face.

"So many companies went in with such completely unrealistic expectations about 'profitability,'" said Pamela Baldinger, Hong Kong director of the U.S.-China Business Council.

Investment statistics suggest that European companies probably have the most to lose in China. Among those participating in the study, European companies were by far the most bullish on the country, with an average investment of \$108.5 million each.

American companies, by contrast, had sunk in an average of just \$32.2 million.

U. S. STOCK MARKET DIARY

Monday, April 26
Most Active

Index	Open	High	Low	Close	Change
Dow Jones	10,718.59	10,718.59	10,718.59	10,718.59	+28.92
S&P 500	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
Nasdaq	2,652.04	2,652.04	2,652.04	2,652.04	+61.35
AMEX	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

INTERNATIONAL FUTURES

Monday, April 26
High Low Last Chg Opt

Index	Open	High	Low	Close	Change
Dow Jones	10,718.59	10,718.59	10,718.59	10,718.59	+28.92
S&P 500	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
Nasdaq	2,652.04	2,652.04	2,652.04	2,652.04	+61.35
AMEX	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

ASIA: Crisis on Back Burner

Continued from Page 1

force countries, companies and hedge funds to make information about their financial health public, and some "voluntary guidelines" to try to prevent countries from taking huge financial risks.

To many experts, the package looked more like interior decorating than real architectural alterations. Mr. Rubin, for example, shied away from any proposals to control the flow of capital into or out of vulnerable countries, or to expand the powers of the IMF to be a "leader of last resort" for stricken nations.

For some of the countries hardest hit by the economic crisis, notably Thailand and South Korea, a sense of optimism has replaced gloom. Although their economies are expected to shrink this year, their stock markets began rocketing back almost as soon as the last set of meetings of the World Bank and the IMF ended in the autumn.

"The crisis came about because of some misjudgments about the fragility of the system," said Jeffrey Garten, dean of the Yale School of Management, who had called

for some tough reforms, including the creation of a global central bank, several months ago. "Now there is a feeling in the air that the system is more resilient, more capable of bouncing back fast, than anyone thought. When you put that together with vivid pictures out of Kosovo, you can see how quickly the political attention span can be diverted."

Some other reforms are under way. Countries already publish far more data than they did before the crisis hit Thailand in July 1997. The IMF posts some of its conclusions about member nations' debt and economic strategies on the Internet: <http://www.imf.org>.

Adding to the diminished sense of urgency is some new thinking that has emerged about crisis-racked nations such as Russia and Indonesia: that after a while, their troubles pose less of a threat to the rest of the world, not more.

"The new thinking is the old thinking," Mr. Garten said. "And that is that since we still don't really understand many of the forces at work, we should leave a lot of this to the market."

INTEREST RATES

Monday, April 26

Index	Open	High	Low	Close	Change
Dow Jones	10,718.59	10,718.59	10,718.59	10,718.59	+28.92
S&P 500	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
Nasdaq	2,652.04	2,652.04	2,652.04	2,652.04	+61.35
AMEX	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

Index	Open	High	Low	Close	Change
NYSE Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19
AMEX Composite	1,360.04	1,360.04	1,360.04	1,360.04	+3.19

EUROPE

GEC Snatches Up Another U.S. Telecom Firm

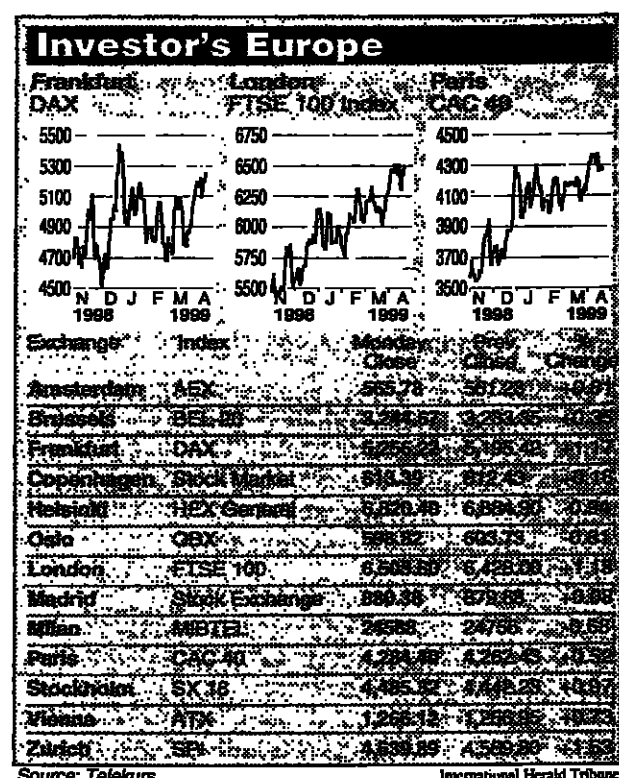
Bloomberg News
LONDON—General Electric Co. of Britain agreed Monday to pay \$4.5 billion in cash for Forster Systems Inc. of the United States to gain a stronger presence in the Internet equipment market.
 GEC will pay \$35 per share, a 43 percent premium to Forster's closing share price Friday. GEC, which agreed in January to sell its defense-electronics business to British Aerospace PLC, is remaking itself as a communications equipment manufacturer.
 Last month it agreed to buy U.S.-based Reltec Corp. for \$2.1 billion in cash and assumed debt, to gain a North American presence.
 "They have decided to try and become a telecom manufacturing giant," said Howard Wheelodon of Matheson Investment Management.
 GEC shares rose 31 pence, or 5 percent, to 608 (\$9.83). Forster shares rose \$9.25 to \$33.75 in late trading on the Nasdaq exchange.
 Forster Systems, which is based in Pittsburgh,

makes switching equipment used by phone companies and Internet service providers. It will continue to operate under the name Forster Systems and will cooperate with GEC's Marconi Communications unit.
 The acquisition comes as other European telecommunications equipment companies, such as Ericsson AB, Alcatel SA and Nokia Oy, all hunt for U.S. Internet equipment companies to gain a stronger position in the rapidly growing market.
 "We will now be in a position to capture the full benefits of the impact of the explosive growth of Internet and other data traffic on the demand for communications equipment and systems," the GEC chief executive, George Simpson, said in a statement.
 GEC said it expects the purchase to have little effect on earnings per share for the year ending March 31, 2000, when write-downs of intangible assets are expected. In the following years the purchase is expected to improve earnings.
 GEC will pay for the purchase out of existing

cash resources. The transaction is expected to be completed in June.
 Forster reported sales of \$632 million for the year to March 31 and had net assets of \$680 million.
 Tom Gill will continue as chief executive and president of Forster Systems.
C&W Jettisons Marine Division
 Cable & Wireless PLC dug up its roots Monday to focus more firmly on the booming world of Internet and data communications, selling its undersea cabling arm for \$550 million, Reuters reported from London.
 C&W, which laid the first telegraph cable linking Britain with Hong Kong 126 years ago, said it was selling its Global Marine division, which owns and operates the world's largest fleet of cableships and subsea vehicles, to the Bermuda-based Global Crossing Ltd.
 C&W said the sale was in line with its increasing focus on the operation of communications networks.

Prices Rising In Germany And France

Compiled by Our Staff From Dispatches
PARIS—German and French inflation is rising from record lows, according to figures released Monday, as the weak euro increases prices of imported goods and threatens to push inflation toward the European Central Bank's ceiling level.
 "By the end of the year, inflation could be rubbing up against the ECB's limit," said Claran O'Hagan, a bond analyst at Cie. Europeenne de CIC in Paris, referring to the central bank's aim of preventing annual inflation in the 11-country euro zone from rising above 2 percent.
 German consumer prices rose at an annual rate of 0.6 percent in the six months to April, reversing a 0.4 percent decline in the six months to March. The Bundesbank reported that French consumer prices rose at an annual rate of 0.4 percent in March, up from 0.2 percent in February, the French government said.



Very briefly:

- Decaux SA, a French advertising company, agreed to buy Avenir Havas Media, the billboard advertising unit of Vivendi SA, for 6 billion francs (\$974.5 million).
- Banco Santander Central Hispano SA's first-quarter profit rose 25.5 percent, to 61.3 billion pesetas (\$392.5 million), as demand for loans grew in the Spanish bank's home market.
- Danzas Holding AG, the freight unit of Deutsche Post AG, the German postal service, offered to buy the Swedish freight company ASG AB for 3.33 billion kronor (\$398 million).
- Lufthansa AG said that while the Kosovo crisis was hitting revenue as NATO aircraft used the airline's Frankfurt hub, a report that the conflict was costing it about 10 million Deutsche marks (\$5.4 million) a day was exaggerated.
- Russia will spend up to 170 billion rubles (\$6.9 billion) next year to pay off foreign and domestic debt while it also seeks debt relief by delaying some foreign obligations.

No. 36,128

ins

initial explanation for this month's column of a road near the es had indeed not only milke publicly, o quickly that Javier Solana, afternoon, he ent, and said



The Associated Press

for refugees.

ps

olis of fabric.

ovo Albanian

ople in the past

years, about th

e. More than

ten cities, and

outstripped the

nt," said Paula

ice of the UN

0

red

ss agency said Mr.

se of his "public

to the government

ect of the federal

Serbian leadership

defeat NATO and

in a condition of

an-ville fracture" in

it "shows the price

Page 10

NDA

s Stance

und Libya

Clinton has eased

use of his "public

to the government

ect of the federal

resents a softening

three countries the

is long viewed as

rism and export-

Page 10

n U.S. Beef

Union said Wed.

e 15 unless Wash-

e the meat had no

hormones. Page 11.

Page 7.

Page 6-7.

Pages 18-19.

www.ihb.com

AGF to Bid for a 5% to 8% Stake in Credit Lyonnais

Bloomberg News
PARIS—Assurances Generales de France SA, a French insurer controlled by Allianz AG of Germany, said Monday it would bid for 5 percent to 8 percent of Credit Lyonnais SA, the bank that France spent \$25 billion to save.
 The stake will include the 1.66 percent stake that AGF, France's No. 3 insurer, already owns in Credit Lyonnais, AGF said, confirming a report by Agence France-Presse.
 France has asked for bids for as much as 10 percent of Credit Lyonnais from financial-services companies by Wednesday. These so-called strategic shareholders are to own a total of as much as one-

third of the marginally profitable bank, providing it with business partnerships and some protection against takeovers. The rest of the bank is to be sold in a public stock offering by July.
U.S. Buyer Is Reported for PowerGen Plants
LONDON—The electricity-generating company PowerGen PLC, based in Coventry, is expected to announce soon the sale of two power plants to Edison Mission Energy of the United States.
 PowerGen hopes to sell the coal-fired stations by the end of the week.

Credit Agricole SA, France's biggest bank in terms of assets, was the first to say it would join the bidding. It is expected to buy a 10 percent stake in Credit Lyonnais for as much as 5 billion francs (\$809 million). The European Commission demanded that France sell 90 percent of Credit Lyonnais by October in exchange for approving its bailout, an operation whose cost the European Union estimated at \$25 billion.
 The sale of the bank, once one of Europe's biggest, caps years of state aid and asset sales after its relaxed lending policies in the 1980s and early 1990s saddled Credit Lyonnais with a mountain of bad debts.
 Other banks are likely to bid for stakes. Each will be allowed to hold between 1 percent and 10 percent of the bank's capital. Together they must own less than 33.3 percent and guarantee to keep their shares for an as yet unspecified length of time.

The reports from Europe's two biggest economies, combined with another that showed German factory prices rising last month for the first time in a year, suggest that the central bank has no more room to reduce interest rates, many economists said. Annual inflation in the euro zone rose to 1.0 percent in March from 0.8 percent in February, a report issued Friday showed.
 Meanwhile, the German news-magazine Focus said the government expected Germany's unemployment rate to fall to 10.6 percent this year from 11.1 percent in 1998.

WORLD STOCK MARKETS

Monday, April 26

Prices in local currencies

in euros for EMU countries.

High Low Close Prev.

Amsterdam

ASEX index: 567.8

Previous: 567.8

High Low Close Prev.

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

Amst. AEX

22.55 21.85 22.55 21.70

High Low Close Prev.

Kuala Lumpur

Composite: 673.98

Previous: 673.98

High Low Close Prev.

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

673.98 673.98 673.98 673.98

Kuala Lumpur

Nationwide prices not reflecting late trades elsewhere
The Associated Press

12 Month High Low Stock Div Yld PE ⁵²Wk High Low Latest Cris

www.interactivebrokers.com

Continued on Page 13

NASDAQ

Monday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.
The Associated Press.

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

AMEX

Monday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press.

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

NYSE

Monday's 4 P.M. Close
(Continued)

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

Stock	High	Low	Open	Close	Change
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0
Alcoa	44 1/4	44 1/4	44 1/4	44 1/4	0

ians

ste initial expla-
g contrasted with
earlier this month
on a column of
along a road near
ays then for the
planes had indeed
nained only mil-
mistake publicly.
d so quickly that
er, Javier Solana,
ay afternoon, he
incident, and said

10



for refugees.

ps

polis of fabric.
sovo Albanian
border, a spurt in
people in the past
rkers say, about
nth. More than
1 tent cities, and
1 outstripped the

int," said Paula
fice of the UN

10

ired

ess agency said Mr.
use of his "public
to the government
pect of the federal

Serbian leadership
1 defeat NATO and
it.
in condition of an-
visible fracture" in
it "shows the price

Page 10

NDA

es Stance
and Libya

Clinton has eased
policy to allow food
to be sold to Iran,
an, officials said

resents a softening
three countries the
as long viewed as
rism and export-
t, Page 10.

n U.S. Beef

Union said Wed-
ould ban U.S. beef
e 15 unless Wash-
e the meat had no
hormones. Page 11.

Page 7.
Page 5.
Pages 6-7.
Pages 18-19.
www.ihl.com

Betting on Cyclical Stocks Rather Than High Technology

Of the banks, we like Chase Manhattan, Bank One and PNC Bank.

But buyers should remember that all of this has not done much for gold prices. In 1998, the average price of an ounce of gold fell 11 percent, to \$294.09, the lowest average annual level since 1978. In London, where the spot gold price Monday was down to \$281.50, the average this year has been \$285.05 an ounce.

Still, some analysts say they are not yet ready to write off the funds, even if some of them are facing tough times.

"Like everything else in the market," said Douglas Beck, an international-fund analyst at

the date of the last review was made. Subject to the fund groups to Standard & Poor's Municipal SA, it is created and reformed into the list before being transferred to the IIT. Standard & Poor's Municipal and the IIT do not warrant the quality or accuracy of the data of the performance of the Fund Groups to any extent. This list is not and shall not be deemed to be an offer by the IIT or Standard & Poor's Municipal to sell securities or investments of any kind. Investments can fail as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent adviser before investing.

New Form Is Adopted By Daiwa

Mr. Lee said his union would not return to the commission, from which it withdrew last month, and chaebol leaders have said they will not participate.

Militants insisted that the strikes this year were different from those in previous years, in which the issues were mainly wages and working conditions, rather than the issue of restructuring.

Investor's Asia

Hong Kong
Hang Seng

13000
12000
11000
10000
9000
8000

N D J F M A
1998 1999

Singapore
Straits Times

2000
1800
1600
1400
1200
1000

N D J F M A
1998 1999

Taipei
Taiwan Stock

18000
17000
16000
15000
14000
13000

N D J F M A
1998 1999

Exchange	Index	Month's Change	1 Year Change	% Change
Hong Kong	Hang Seng	12,547.82	2,065.30	+16.43
Singapore	Straits Times	1,805.82	289.58	+16.03
Sydney	All Ordinaries	3,122.76	3,181.70	+10.22
Tokyo	Nikkei 225	16,939.63	16,623.25	+9.82
Kuala Lumpur	Composite	673.30	446.92	+14.14
Bangkok	SET	815.68	303.89	+37.26
Seoul	Composite Index	776.30	267.09	+34.40
Taipei	Stock Market Index	17,023.00	15,129.00	+12.53
Hanku	PSE	2,355.47	2,334.47	+0.90
Sakarta	Composite Index	470.41	375.59	+25.23
Wellington	NSE-40	2,281.37	2,221.37	+2.25
Bombay	Sensitive Index	3,948.24	3,106.65	+27.43

- **Malaysia's** credit rating was raised to BBB, or investment grade, from BB by Fitch IBCA Inc., a New York-based credit-rating concern, as the country's widening current-account surplus bolstered its foreign reserves.
- **Australia** withdrew its complaint to the World Trade Organization over Japan's rice import tariffs, saying it wanted to avoid a trade war with Tokyo.
- **Sony Corp.** obtained a provisional court order preventing **Connectix Corp.** of San Mateo, California, from selling software that allows personal computers to run video games developed for Sony's best-selling PlayStation console.
- **Japan's** auto production fell to its lowest level in 20 years for the year that ended in March because of falling sales hurt by a recession at home and throughout Asia. Production was 9.97 million units, down from 10.78 million the year before.
- **China** reiterated that the country's currency, the yuan, will not be devalued, pointing out that the pledge was backed by \$146 billion in foreign-exchange reserves.
- **Hong Kong's** retail sales fell in February, led by cars, jewelry and clothing, as a record jobless rate squeezed consumer spending. Sales fell to 14.1 billion Hong Kong dollars (\$1.82 billion) from 15.71 billion dollars in January.
- **Chunghua Telecom** union workers staged a sit-in protest in Taipei, chanting slogans against privatization plans for the state-run company.

Hyundai Electronics to Focus on Chips

the largest maker of memory chips in the world.

Hyundai, like other conglomerates, is seeking to streamline operations and reduce debt in response to government pressure. Hyundai Electronics' debt totaled 10.2 trillion won at the end of last year.

Hyundai and LG expect final details on the merger, the biggest to

Internet Venture

Bloomberg News

KUALA LUMPUR — Telekom Malaysia Bhd., the country's largest phone company, said it would sign an agreement with Microsoft Corp. and Hewlett-Packard Co. on Tuesday to launch a new Internet business.

Executives at the three companies declined to provide details of the venture. The pact would be the first major deal since Malaysia's new multimedia law became effective April 1, allowing the country's phone companies to venture into broadcasting and Internet services. It may be the first of many such deals by the country's telecom companies.

Telekom, which has 4.2 million

subscribers in Malaysia, has been developing since 1997 a plan to transmit a 25-channel cable television service over its phone lines. The company had planned to unveil its cable television service in 1999.

Telekom is a minority stakeholder in Teledesic LLC, a firm founded in 1990 by the Microsoft chairman, Bill Gates, and Craig McCaw, a cellphone pioneer.

Teledesic is an "Internet-in-the-Sky" project designed to provide fast Internet access around the world. It will allow services such as electronic shopping and video conferencing to be offered over a network of 288 low-orbiting satellites

April 26, 1999
<http://www.ihf.com/IHT/FUN/hands.html>

[illegible]

The data in the list above is the R.A.X. supplied by the fund groups to Standard & Poor's Microcap S.I. It is copied and reprinted into the list before being forwarded to the HT. Standard & Poor's Microcap and the HT do not warrant the quality or accuracy of the list, the claim or the performance of any of the fund groups listed nor do we have any control over the fund groups' investments. The list is not and shall not be deemed to be an offer by the HT or Standard & Poor's Microcap to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent advisor before investing.

the initial explanation contrasted with earlier this month on a column of along a road near says then for the lanes had indeed obtained only mistake publicly. d so quickly that er, Javier Solana lay afternoon, he ident and said

2 10



Italy (The Associated Press)
e for refugees.

polis of fabric. In Kosovo Albanian border, a spurt in people in the past workers say, about 10th. More than 10 tent cities, and 10 outstripped the mint," said Paula Rice of the UN

10

ired

Serbian leaders
t defeat NATO :
it
n condition of
t visible fracture"
it "shows the p

Page 10

NDA

Clinton has eased policy to allow food to be sold to Iraq, an. officials said.

resents a softening three countries that is long viewed as terrorism and export. Page 10.

n U.S. Bee
Union said West
ould ban U.S. bee
e 15 unless Was
e the meat had
hormones. Page 1

Page
Page
Pages 6
Pages 18-1

www.ihf.com

ART BUCHWALD

Gun Guarantees?

NEW YORK — After the shootings in a Denver suburb, where 15 people were killed, I read the constitution again. I was interested because Charlton Heston, president of the National Rifle Association, and his people still insist the Second Amendment has to be protected, whatever the fatality rate.

I looked through the amendment to see if there is anything about shooting students. Then I checked on whether or not there is any guarantee for the sales of gun dealers.

There didn't seem to be any. The Second Amendment says nothing about sawed-off shotguns, automatic carbines, pistols and Saturday Night Specials.

The NRA says it doesn't have to — arms are arms, and militias are militias, and good people have to protect themselves from bad people.

The question arises,

"What did the people who voted for the Second Amendment have in mind?"

The pro-gun lobby, which finances your politicians, believes that the founders wanted everyone to have a gun in his home and should be permitted to buy a second in case the first one doesn't work.

Guns are not to be used in crimes or homicides, though there is nothing spelled out as to who are the good guys or who are the bad guys.

The Founding Fathers never dealt with teenage shootings because none of them had children in high school. Besides, it is not guns that kill people, etc., etc.

The NRA says the anti-gun bleeders are going to destroy the constitution. As a matter of fact, the NRA is now sending e-mails begging its members to give money.

Where does any sane person stand? If previous school shootings are an indication, the furor will die down, the international media will leave Colorado and people will forget about it until the next shooting — when everyone will ask: "Why didn't they do anything about this?"

Oliver Cromwell Remembered

HUNTINGDON, England — Thousands of people gathered in Huntingdon to mark the 400th anniversary of the birth of Oliver Cromwell, the only English head of state who was not a monarch.

Crowds mingled Sunday in a 17th-century street market and watched English civil war parades in the town where the undefeated civil war commander of parliamentarian troops was born April 25, 1599. But the local Catholic church played no part in the commemorative service, recalling that after the execution of Charles I in 1649, Cromwell went to Ireland to command the army that crushed Catholic rebellions.

Cromwell was named Lord Protector, ruler of England, in 1653. He declined the crown in 1657 and died in 1658. In 1661, his body was exhumed and he was posthumously beheaded after the monarchy had been restored.

A Century of Great Pianists in 15,000 Minutes

By David Stevens
International Herald Tribune

AMSTERDAM — The recording industry as a serious factor in musical life dates roughly from the beginning of the 20th century, which lends a fair amount of credence to the plethora of "centennial" editions crowding the shelves of record stores.

The issuing of recorded historical musical anthologies has a relatively long history, and most of the centennial editions in the stores result from the periodic recycling efforts by record companies to get some extra mileage out of existing material.

Philips Classics says its "Great Pianists of the 20th Century" is the "largest project ever undertaken by a recording company in the history of recorded music," which is probably true. But what really makes it unique is that Philips gained the collaboration of other major recording houses and numerous minor ones — some 25 in all — to make this wide-ranging, if not absolutely comprehensive, edition. Besides this unheard-of degree of cooperation in a highly competitive business, the project is sponsored by Steinway & Sons, the major maker of concert pianos.

The edition, which Philips began issuing late last year and will continue to next fall, comprises 200 compact disks. They are packaged in units of two CDs each, about 150 minutes of music per unit.

Units are devoted to 69 individual pianists, there is one piano duo, and in three cases the featured artist is joined by a partner for the occasional two-piano piece — Nadia Boulanger with Dinu Lipatti, Rosina Lhévinne with her husband, Josef, and Gaby Casadesu with her husband, Robert.

Seven of the pianists, all celebrated and prolific recording artists, have three units devoted to them — Claudio Arrau, Alfred Brendel, Emil Gilels, Vladimir Horowitz, Wilhelm Kempff, Sviatoslav Richter and Arthur Schnabel.

About 25 percent of the music

has never been issued on CD before, and some 90 minutes (of a total of slightly more than 15,000 minutes of music) has never been issued before at all.

The title of the edition — Great Pianists of the 20th Century — is modest enough in the circumstances. No two piano addicts would agree on some of those included or omitted. In the days of acoustic (pre-electric) recording, before 1925, many pianists did not take recording seriously or did not leave enough recordings of sufficient quality to fill two CDs.

With the introduction of electric recording, business picked up, and in the 1930s Artur Schnabel — who played only music he thought was "better than it can be performed" and was then at its peak — recorded the first complete set of Beethoven's 32 sonatas. With the introduction of tape as a recording medium after World War II, the advent of the long-play microgroove record in the late '40s, and the consequent appearance of many new record companies, expanded the recorded repertoire beyond recognition.

A bit of hype did get into the marketing of this edition in France, where a French-language wrapper claimed to offer "Tous les grands pianistes du 20ème siècle." But not even Tom Deacon claims that this edition contains all the greats of the century. Deacon, a 58-year-old Canadian with a background in radio producing and a lifelong passion for the piano, became Philips' director of catalogue exploitation several years ago and is the mastermind behind the Great Pianists edition.

He gathered a group from the member companies of the PolyGram group to help make the choices, "and the voting had to be unanimous." However, he added, "I don't know of a single case in which I had to use the trump card," suggesting that he held just such a card in case he needed it. In addition, Alfred Brendel, Philips' keyboard flag-bearer, helped select works by pianists he particularly admires — Alfred Cortot, Edwin



Tom Deacon, left, of Philips, with the pianist Alfred Brendel.

Fischer and Kempff — and living pianists included in the edition were consulted on their programs.

To supervise the recorded quality, especially the remastering of the older recordings, Deacon brought in Alfred Kain, a retired Deutsche Grammophon engineer. Deacon described Kain, himself a pianist, as "meticulous."

Deacon expressed pained regret at the omission of some indisputably great pianists who came to recording too late to be at their best or who were ill-served by their recordings — notably Moritz Rosenthal, but also Guiomar Novas and Gina Bachauer.

The oldest pianist represented is Ignacy Jan Paderewski, born 1860, whose pianism does not get a unanimous vote from experts, but whose charisma and sense of publicity exceeded that of the Three Tenors rolled together. He made oodles of

money — his 1906 income was estimated at \$1.5 million — and spent it. He made his marathon U.S. tours in a private railroad car with bedroom, sitting room, dining room and grand piano, accompanied by his secretary, valet, chef, tuner, tour manager and two porters. The youngest pianist of the edition is the sensational Russian Yevgeni Kissin, born in 1971, whose legacy remains to be written in the 21st century.

The earliest recording of the edition is likely Paderewski's of Chopin's "Military" Polonaise, made in 1911 at his home in Switzerland. The most recent is Mitsuko Uchida's of Schoenberg's Three Piano Pieces, Opus 11, recorded for this edition.

Some pianists known for being more comfortable in concert than in the recording studio are represented by live recordings, nota-

bly Josef Hofmann's golden jubilee concert in 1937 at the Metropolitan Opera. Wilhelm Backhaus's memorable Carnegie Hall recital of 1954 is included, as are live recordings of the supervirtuosos Jorge Bolet and Earl Wild.

A particular favorite of Deacon's, and certainly the least known entry in this set, is the piano duo of Lyubov Bruck and Mark Taimanov, both born in 1926, who were paired by their teacher in Leningrad, a pairing that continued in Tashkent, where they were evacuated in 1941 because of the war.

They became a duo by marriage, too, but this kept them from becoming known outside the Soviet bloc, when it was unthinkable that a mixed couple travel together to the West. Taimanov was also a chess grandmaster, which got him a trip to the West in 1970, where he ran afoul of Bobby Fischer, losing six out of six to the American whiz in 1970 — a disaster that brought him a period of oblivion in both music and chess. The couple divorced in the early '70s, and while Bruck played piano with their son and granddaughter, Taimanov turned to chess.

Their recordings are a delight, especially in Rachmaninoff's two suites for two pianos, in which their contrasting styles blend in a wonderful sense of ensemble. Bruck died three years ago. Taimanov continues to play chess, in which world he is known for the Taimanov Variation of the Sicilian Defense.

The Great Pianists edition has also led indirectly to a revival of interest in Rosalyn Tureck, known best in her long and varied career as the high priestess of Bach on the piano. She lives in Oxford, England, where in 1993 she created the Tureck Bach Research Foundation.

Not only are two units of this edition devoted to Tureck's Bach, but Deutsche Grammophon has just brought out a new recording of Tureck, at 84, in her latest version of the Goldberg Variations. It would be hard to imagine a more representative example of the piano in the 20th century.

PEOPLE



MCCARTNEY AS ARTIST — "John's Room," one of 70 paintings by Paul McCartney that will be exhibited in Siegen, Germany, beginning May 1.

THE actors Tom Cruise and Nicole Kidman have filed a libel suit against the Star tabloid of London for printing a story that claimed they needed coaching from sex therapists to perform love scenes in Stanley Kubrick's final movie, "Eyes Wide Shut." The lawsuit, filed in Los Angeles, charges that Cruise and Kidman were portrayed as "unqualified as actors because of their inability to portray sufficiently realistic or amorous love scenes." In October 1998, Cruise and Kidman won a London libel suit over newspaper allegations that he was gay and that their marriage was a sham.

Woody Allen and Soon-Yi Previn, the film director's wife, were spotted the other day in Manhattan pushing a baby stroller. The couple won't elaborate on whether its occupant, a 5-month-old girl named Bechet Dumaine, was adopted. In recent photographs, Previn did not appear pregnant. In reference to the newborn, Allen, told the Sunday Daily News, "We're just very pleased." The

baby is reportedly named after the swing-era jazz clarinetist Sidney Bechet.

Bowing to pressure from theater owners, 20th Century-Fox has authorized the sale of advance tickets to the "Star Wars" prequel. "It's a bit of compromise for us, but the theaters have invested a lot of equipment and money into providing the advance-ticket service to their customers," said Tom Sherak, a spokesman for Fox. Fox and LucasFilm Ltd. had banned advance ticket sales to stave off scalpers who they feared would hoard the seats. Sherak said, but have now lifted the ban. "Star Wars: Episode I — The Phantom Menace" opens in the United States on May 19.

A watercolor by Sir Alfred J. Munnings has set a record for the artist at Sotheby's in New York. Munnings' portrait of a racehorse fetched \$739,500, setting an auction record for a Munnings watercolor. The previous re-

cord was \$122,173 for "A Little Piece of England," sold in November 1997. The artist died in 1959.

James Hewitt, the former lover of Diana, Princess of Wales, is auctioning the newspaper rights to his memoirs after winning a court action to retrieve dozens of her stolen love letters. The Sunday

Telegraph reported. Hewitt, a former army officer, hoped to make around \$800,000 from the memoir — but is barred from reproducing the 64 letters from the late princess, the newspaper said. In a television interview in 1995, Diana acknowledged the affair with Hewitt, who had been her sons' riding instructor, and said she felt let down by him after his 1994 tell-all book.

Don DeLillo Wins the Jerusalem Prize

The Associated Press

JERUSALEM — Don DeLillo has become the first American to win the Jerusalem Prize. The award, given to writers "whose work expresses the theme of the freedom of the individual in society," has previously gone to Milan Kundera, Mario Vargas Llosa, V.S. Naipaul, Graham Greene, Simone de Beauvoir and Jorge Luis Borges.

"This is wonderful!" said his agent, Lois Wallace. Born to an Italian Catholic family, DeLillo grew up in New York. His work, which includes novels, essays and plays, reflects his "commitment to expose, through his daring writing, the violent face of the Western world at the end of the century," the selection committee said Sunday.

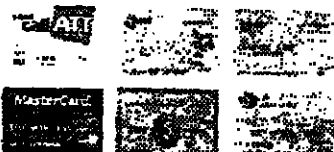
DeLillo's books include "White Noise," "Mao 2," "Americana" and "Libra." His most recent work is "Underworld."

(go down in history)

and use AT&T Direct® Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. What an amazing culture we live in.

For easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers			
Austria	022-903-011	Greece	00-800-1311
Belgium	0-800-100-10	Ireland	1-800-550-000
Czech Republic	00-42-000-101	Israel	1-800-94-94-949
Egypt (Cairo)	510-0200	Italy	172-1011
France	0-800-99-0011	Netherlands	0800-022-9111
Germany	0800-2255-288	Russia (Moscow)	755-3042
		Saudi Arabia	1-800-10
		Spain	900-99-00-11
		Sweden	020-795-611
		Switzerland	0800-99-0011
		United Kingdom A	0800-85-0011
		United Kingdom B	0500-85-0011

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at www.att.com/traveler



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. Pay phone deposit. A limited availability. Calling available to most countries. Public phones require local coin payment during the call. *Dial "02" first, outside Cairo. Additional charges apply outside Moscow. Use UK access number in N. Ireland. If call does not complete, use 0800-010-0111. ©1998 AT&T

مكتبة دار الحديث